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**INVESTIGATION OF IMPROPER ACTIVITIES IN THE
LABOR OR MANAGEMENT FIELD**

HEARINGS
BEFORE THE
SELECT COMMITTEE
ON IMPROPER ACTIVITIES IN THE
LABOR OR MANAGEMENT FIELD
EIGHTY-FIFTH CONGRESS
FIRST SESSION

PURSUANT TO SENATE RESOLUTION 74, 85TH CONGRESS

SEPTEMBER 24, 25, 26, 27, 28, AND NOVEMBER 5, 1957

PART 14

**Printed for the use of the Select Committee on Improper Activities in the
Labor or Management Field**



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UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1957

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SELECT COMMITTEE ON IMPROPER ACTIVITIES IN THE LABOR OR
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INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

TUESDAY, SEPTEMBER 24, 1957

UNITED STATES SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D. C.

The select committee met at 2 p. m., pursuant to Senate Resolution 74, agreed to January 30, 1957, in the caucus room, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present Senator John L. McClellan, Democrat, Arkansas; Senator Pat McNamara, Democrat, Michigan; Senator Karl E. Mundt, Republican, South Dakota.

Also present, Robert F. Kennedy, chief counsel; Kenneth P. O'Donnell, assistant counsel; Pierre E. G. Salinger, investigator; Carmine S. Bellino, accounting consultant; Ruth Young Watt, chief clerk.

(Members of the select committee present at the convening of the session: Senators McClellan, McNamara, and Mundt.)

The CHAIRMAN. The committee will come to order.

The Chair will make this brief statement. We are beginning this afternoon a new series of public hearings into the activities of Mr. James R. Hoffa, chairman of the Central States Conference of Teamsters, and ninth vice president of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America. At the conclusion of this committee's hearing into improper activities in the labor and management field in the New York area, it was announced that we would hold further inquiries into the activities of Mr. Hoffa. His lack of candidness, his inability or unwillingness to cooperate, his unfortunate loss of memory on important facts, have necessitated intensified work by our staff and the reconvening of the committee for further hearings.

The committee's clear purpose is determination of the true facts surrounding the operations, associations, and practices of one of the most powerful labor leaders in this Nation. On such information the committee can base its recommendations for future legislative action. When there is an effort to obscure the facts, or to gloss over the facts, or to distort the facts, as occurred before this committee last month, it becomes the duty of the committee to seek and get the facts and establish the truth with all the means it has available.

A number of witnesses have been called to appear during this series of hearings. Their testimony will bear directly on the activities of Mr. Hoffa. Mr. Hoffa has been invited to come to the hearings and

listen to the testimony. He has been notified that if he wishes to he can take the stand and testify.

We have a large number of witnesses to examine. We hope to conclude this series of hearings this week. If it appears we are unable to do so, the committee may hold night sessions in order to finish this week, or it may conclude to carry on next week.

The committee feels it is important that the information the witnesses have who have been subpoenaed to testify be presented as expeditiously as possible. It is hoped that some of the questions raised during the recent New York hearings will be answered here in the next few days. It is also hoped that the witnesses called to testify will have clear memories and accurate recollections on evidence and facts about which they will be interrogated and which are of importance to this committee, to the public, to the rank and file of teamster members, and to the Congress.

If Mr. Hoffa does not elect to appear voluntarily and there is no opportunity to call him before the conclusion of this set of hearings, he will be recalled at a later time this year when we finally conclude our hearings into his stewardship as a teamster official.

All right. Do my colleagues on the committee have any comment or any statement to make?

All right, Mr. Counsel, call your first witness.

Mr. KENNEDY. Mr. Roland McMasters, Mr. Chairman.

The CHAIRMAN. Mr. McMasters, come around, please, sir.

STATEMENT OF GEORGE FITZGERALD, ATTORNEY, DETROIT, MICH.

Mr. FITZGERALD. May I address the Chair? I am George Fitzgerald, Detroit, Mich., and I am an attorney.

Mr. McMasters at the present time is in Providence Hospital, Detroit, Mich., and I would like to read this into the record if the chairman will allow it.

The CHAIRMAN. We usually ask to see it. However, you may tell us what it is.

Mr. FITZGERALD. It is a letter or a certificate from a Dr. Draves in Detroit.

The CHAIRMAN. You may read it.

Mr. FITZGERALD. It is under the letterhead of Edward F. Draves, M. D., 19647 Joy Road, Detroit 26, Mich., September 23, 1957.

Re Mr. Roland McMasters.

To Whom It May Concern:

DEAR SIR: The above mentioned was hospitalized at Providence Hospital on September 21, 1957.

Mr. McMasters has been complaining of pains in the chest and a chronic productive cough, sometimes blood tinged. He also had a fainting spell Saturday morning, with severe chest pains, so I admitted him into the hospital.

X-ray taken of the chest revealed a resolving lobar pneumonia, and I am awaiting the results of laboratory tests taken, i. e., fasting blood sugar, E. K. G.

I am in consultation with an internist and neurologist concerning this man's condition.

Mr. McMasters is still in the hospital.

Very truly yours,

(Signed) EDWARD F. DRAVES, M. D.

I came here prepared to represent Mr. McMasters, and before I left Detroit I heard of his condition and I asked that I be furnished with this certificate from Dr. Draves.

The CHAIRMAN. All right, sir.

The certificate has been read in the record.

Of course the committee would not knowingly impose on someone who is really ill and not able to attend. Unfortunately these things happen, even in courts. Sometimes the trial is set for hearing and some witness, or some important witness becomes ill. We have to defer to those problems.

Mr. McMasters is an important witness. His testimony will be desired. We hope he will soon recover, and we would like for counsel to keep the committee advised as to his progress.

Mr. FITZGERALD. I will advise Mr. Kennedy.

The CHAIRMAN. Thank you very much.

I might say that we have a report or a claim of two other witnesses who are very important, and I wonder if you could give us any information on them? They are Mr. Henry Lower, and Mr. Benjamin Dranow. Do you represent either of those two gentlemen?

Mr. FITZGERALD. I represent neither of those men, and I have no knowledge of them or what their condition is.

The CHAIRMAN. They were interviewed a few days ago by the staff, and following the interview they both decided they had pains, and maybe they have. I do not know. Of course, as the Chair has announced, if one is really ill, if proper medical counsel advises that he should not be subjected to examination and interrogation, this committee will respect that character of a situation. But the committee will try to guard against being imposed on by any false claims or any device of that nature simply to evade testifying.

Now, proceed.

Senator MUNDT. May I add that this morning, early, in Minneapolis, where I was making my plane connection, there was a newspaper account stating that one of our Minneapolis witnesses, and I am not sure whether it was one of the ones you named or not, was incapacitated and ill, and that some doctor, who preferred that his name not be known, said he was ill. I think that we should at least verify this to the extent of having doctors who are not anonymous check on the health of our prospective witnesses.

Mr. FITZGERALD. I would like to say, if I may, Mr. Chairman, that I told Mr. Kennedy during the past 3 weeks that anyone connected with the teamsters union in Detroit that he wished to interview, he would interview without a subpoena. I might say that all of these men appeared before the counsel or before anyone designated by him.

I might say further that those men that came down with me came down without subpoena.

I might say further that every book and record that has been available in the city of Detroit has been turned over to this committee.

I realize that at times there may be situations where the committee might be imposed upon, but I want to assure the committee that if it was our intention, or my intention, to impose at all upon the committee we would not be extending the cooperation to the committee staff that we have tried to extend during the past month.

This is an unfortunate thing with regard to Mr. McMasters, and we even had an airline ticket for him.

The CHAIRMAN. In this instance, of course, Mr. McMasters has given a certificate as to his condition, which we have accepted.

We have another witness that we sought to interview, or did interview, and I believe the staff did.

Pardon me. I guess we haven't been able to interview him.

I believe he is connected with the teamsters, Mr. Zigmont Snyder. Do you have any information about him?

Mr. FITZGERALD. I explained to Mr. Kennedy that since I was advised you wanted Mr. Zigmont Snyder I transmitted that information to the officials of the union. Mr. Fitzsimmons, the vice president of local 299, is here and he will explain the situation with regard to Snyder.

I was instructed by Mr. Hoffa that all of those people, as counsel in his absence, that all of the people who were employed by the teamsters union in Detroit should appear here with or without subpoena, if they were called upon.

I so instructed—or attempted, at least, to instruct Snyder. Snyder has been unavailable. Snyder has listened to no summons, and I am told by Mr. Fitzsimmons, who will tell this committee under oath, that because of his actions in avoiding his appearance here, if he did, or at least in his actions in avoiding any contact with my office, Mr. Snyder will no longer be an employee, and he is no longer an employee of the teamsters union.

The CHAIRMAN. You do not know where we can reach him by subpoena, I suppose.

Mr. FITZGERALD. I do not.

The CHAIRMAN. I believe the subpoena has been out for him now about a week or longer.

Mr. FITZGERALD. If I knew any place to get Mr. Snyder I would tell you, because we have attempted to get him to contact me so that I could tell him that he was wanted down here. As a matter of fact, I tried to get Mr. Snyder to come down and make a statement to Mr. Pierre Salinger, an informal statement, or an interview.

So we have no more responsibility for Mr. Snyder.

Mr. KENNEDY. What is Mr. Snyder's position with the teamsters?

Mr. FITZGERALD. I believe he is a business agent.

Mr. KENNEDY. Were you aware of the fact that while he is a business agent for the teamsters he was operating a nonunion shop of his own?

Mr. FITZGERALD. I know nothing about Mr. Snyder.

Mr. KENNEDY. Do you have any information regarding his business deals?

Mr. FITZGERALD. I have none at all. My contact with Mr. Snyder has been very meager, as I advised you in Detroit.

Mr. KENNEDY. Were you aware of the circumstances surrounding his entrance into the teamsters union?

Mr. FITZGERALD. No, I am not.

Mr. KENNEDY. That he was brought in by Mr. Hoffa?

Mr. FITZGERALD. I don't know. I honestly don't know anything about Mr. Snyder.

I know, however, that he is connected with the teamsters union, and I have never had any business dealings with the gentleman, to my knowledge.

The CHAIRMAN. All right, then, let us see. Mr. McMasters is not available. The other two—had you expected to call Mr. Lower or Mr. Dranow today?

Mr. KENNEDY. No, Mr. Chairman.

The CHAIRMAN. Mr. Snyder, of course, has not been found. We will have to pursue our effort to locate him and subpoena him.

Mr. Counsel, you will proceed and make every effort to locate Mr. Snyder and have a subpoena served on him?

Is there anything further with Mr. Fitzgerald?

Mr. FITZGERALD. I think I have some more witnesses here.

The CHAIRMAN. I was asking if you had any other questions.

Thank you very much.

Call the next witness.

Mr. KENNEDY. Mr. Herman Kierdorf.

The CHAIRMAN. Will you be sworn?

You do solemnly swear that the evidence you shall give before this Senate Select Committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. KIERDORF. I do.

TESTIMONY OF HERMAN KIERDORF, ACCOMPANIED BY HIS COUNSEL, GEORGE S. FITZGERALD

The CHAIRMAN. State your name, your place of residence, and business or occupation, please.

Mr. KIERDORF. My name is Herman Kierdorf. My residence is 29068 Spoon Avenue, Madison Heights, Mich. I am the business representative of the Teamsters Joint Council 43 of Detroit.

Mr. FITZGERALD. Mr. Chairman, may I intrude for a moment? I am sorry. I have a statement from one of the witnesses who will appear later, Mr. Owen B. Brennan. I have it here. In conformity—I think he will be called tomorrow—with the rules of the Select Committee, I wanted to file it timely. I can hold it as long as you have it here.

The CHAIRMAN. You may give it to the clerk at this time. That is a prepared statement, I understand, which the witness will desire to read when he testifies.

Mr. FITZGERALD. It is a statement and a question, perhaps. I wanted to be technically correct.

The CHAIRMAN. All right. It may be submitted.

Mr. FITZGERALD. I am sorry.

The CHAIRMAN. It is all right.

Mr. Kierdorf, do you have counsel? Is Mr. Fitzgerald your counsel?

Mr. KIERDORF. I do, sir.

The CHAIRMAN. Mr. Fitzgerald, let the record show, represents the witness.

Mr. Kennedy, you may proceed.

Mr. KENNEDY. You are a business representative of the joint council?

Mr. KIERDORF. That is correct.

Mr. KENNEDY. Joint council 43 in Detroit?

Mr. KIERDORF. That is correct.

Mr. KENNEDY. Who is the head of the joint council?

Mr. KIERDORF. James Hoffa.

Mr. KENNEDY. He is president of the joint council?

Mr. KIERDORF. Yes.

Mr. KENNEDY. You were hired by him?

Mr. KIERDORF. Yes, sir.

Mr. KENNEDY. How long have you been business representative?

Mr. KIERDORF. Nine years.

Mr. KENNEDY. Since 1948?

Mr. KIERDORF. 1948; yes, sir.

Mr. KENNEDY. Prior to that you were doing what?

Mr. KIERDORF. Prior to 1948, sir?

Mr. KENNEDY. 1948.

Mr. KIERDORF. 1948; I was in the Ohio Penitentiary for 6 years.

Mr. KENNEDY. And prior to that?

Mr. KIERDORF. Prior to that—if the committee please, I had made a few notations on my way here.

Mr. KENNEDY. Approximately 1940, what were you doing, or during that period, before you went to the Ohio Penitentiary?

(No response.)

Mr. KENNEDY. What did you go to the Ohio Penitentiary for?

Mr. KIERDORF. For armed robbery.

Mr. KENNEDY. And you were there for 6 years?

Mr. KIERDORF. That is right.

Mr. KENNEDY. Did you come out of the Ohio Penitentiary as a business representative of the joint council?

Mr. KIERDORF. Within about a month after I was released.

Mr. KENNEDY. You went right to see Mr. Hoffa; did you?

Mr. KIERDORF. I tried to get jobs at different places of employment, and I was unable to do so, and having been in the union as a union-man since 1907, I approached Mr. Hoffa for employment. I talked to him and under my promise to him that I would behave myself and conduct myself as a scholar and gentleman he gave me the opportunity to go to work.

Mr. KENNEDY. Had you had any difficulty with the law prior to the time that you went to the Ohio Penitentiary?

Mr. KIERDORF. Yes.

Mr. KENNEDY. What was that in connection with?

Mr. KIERDORF. That was in connection with the charge of impersonating a Federal officer.

Mr. KENNEDY. That was in the 1930's; was it?

(The witness conferred with his counsel.)

Mr. FITZGERALD. Mr. Chairman, I wonder——

Mr. KIERDORF. They don't bother me.

Mr. FITZGERALD. They don't bother you?

Mr. KIERDORF. No, Mr. Counsel, I made a few notes.

Mr. KENNEDY. That is fine.

Mr. KIERDORF. I tried to refresh my memory on all these dates, and if it is permissible——

The CHAIRMAN. It is permissible for you to refer to any memorandum you may have made or any document you may have in your possession.

Mr. KENNEDY. Go ahead. You have the dates there on what you have been doing since 1940 or prior to that time.

Mr. KIERDORF. In——

Mr. KENNEDY. Let us go back first when you were impersonating a Federal officer. What date was that?

Mr. KIERDORF. I don't say that these are exact dates, Mr. Kennedy.

Mr. KENNEDY. No; approximate.

Mr. KIERDORF. They are approximate. I had no records to check from. It was approximately in 1932 or 1933. 1931 or 1932 I served a year in Leavenworth Penitentiary. I believe it was in 1932.

Mr. KENNEDY. After that what did you do?

Mr. KIERDORF. After that I was paroled and went to work in the Kelvinator Co. in Detroit.

Mr. KENNEDY. For how long a period of time?

Mr. KIERDORF. Approximately a year and a half.

Mr. KENNEDY. Following that?

Mr. KIERDORF. Pardon?

Mr. KENNEDY. Following that?

Mr. KIERDORF. Following that I was employed in a bar in a night-club on the Six Mile Road, the Marquette Gardens, until approximately 1935.

In 1935—I believe it was in 1937—I went to work for the Linwood Chevrolet Co. as a salesman. I attempted to organize the salesmen of the automobile companies and in 1937 Frank Martel took me over and I was made an international organizer for the UAW-CIO.

In 1940—I believe it was in 1940, 1939 or 1940—I was with the teamsters union. From 1938 to 1940, I believe.

Mr. KENNEDY. From 1938 to 1940 you were with the teamsters?

Mr. KIERDORF. That is right.

Mr. KENNEDY. In what position?

Mr. KIERDORF. As a business representative.

Mr. KENNEDY. Who hired you?

Mr. KIERDORF. Mr. Sam Hirst, who was then the head of the joint council that Mr. Hoffa is in charge of now. Ray Bennett was the receiver for the local. The local was in receivership at that time.

Mr. KENNEDY. And subsequently after that?

Mr. KIERDORF. After that I left the teamsters in 1940 and I was back selling automobiles on my own, buying up used cars, and so forth, and I went into Akron, Ohio, and while there I was arrested for robbery, armed, of some department store. My nephew was with me at the time. We were apprehended there, and I went to trial. I was convicted. But under perjured testimony of a police lieutenant as the transcript of the trial will show, and upon which I was pardoned out of the Ohio Penitentiary.

Mr. KENNEDY. What is your nephew's name?

Mr. KIERDORF. Frank Kierdorf.

Mr. KENNEDY. What is he?

Mr. KIERDORF. He is a business representative of the local in Flint, Mich., 332, I believe it is.

Mr. KENNEDY. He went to work for the teamsters, too, when he got out of prison?

Mr. KIERDORF. Yes.

Mr. KENNEDY. Did he know Mr. Hoffa?

Mr. KIERDORF. No; I introduced him to Mr. Hoffa.

Mr. KENNEDY. You recommended him to him?

Mr. KIERDORF. That he be employed.

Mr. KENNEDY. So when he got out of the prison he also went to work as a business agent for the teamsters; is that correct?

Mr. KIERDORF. That is correct.

Mr. KENNEDY. Had you been arrested other than for impersonating a Federal officer, and for this armed robbery?

Mr. KIERDORF. Yes; I was. I was arrested for the John LaBatt kidnaping and found not guilty.

Mr. KENNEDY. That was in Canada.

Mr. KIERDORF. Yes. I was arrested and waived extradition and went to trial and was acquitted.

Mr. KENNEDY. Had you been arrested in connection with armed robbery before?

Mr. KIERDORF. No, sir.

Mr. KENNEDY. Just these three arrests?

Mr. KIERDORF. That is right.

Mr. KENNEDY. What services do you perform for the joint council? What are your duties?

Mr. KIERDORF. I attend meetings and I help organize and help different organizations wherever I am assigned to help in an organizational drive of any sort, or attend any meetings of any kind or anywhere in Michigan. I am mostly confined to Detroit at the present time.

Senator McNAMARA. You made the statement some time along the line that—"Martel took me over and I became an organizer for UAW-CIO." There seems to be some inconsistency there. What is the explanation? Martel was not connected with the UAW-CIO.

Mr. KIERDORF. That is correct, but he was very friendly with Homer Martin, who at that time was the international president of CIO. When I attempted to organize the automobile salesmen, I went to the AFL, Frank Martel having been a member of the AFL since 1907, to apply for a charter. He advised me that it was out of his jurisdiction and that he would take me over and introduce me to Martin—

(The witness conferred with his counsel.)

Senator McNAMARA. I think you have answered my question.

Mr. KIERDORF. He took me over there and introduced me and I went to work.

Senator McNAMARA. I wanted to know Martel's connection. Apparently you went to him and he turned you over to Homer Martin.

Mr. KIERDORF. That is right.

Senator McNAMARA. That straightened me out.

Mr. KENNEDY. Are you familiar in your organizational work with Mr. Nathan Shefferman?

Mr. KIERDORF. Pardon?

Mr. KENNEDY. Are you familiar with the firm or individual known as Mr. Nathan Shefferman?

Mr. KIERDORF. I am not familiar with Nathan Shefferman but I am familiar with the official of his union in Detroit.

(The witness conferred with his counsel.)

Mr. KIERDORF. Labor relations, I am sorry.

Mr. KENNEDY. Who is that?

Mr. KIERDORF. George Kamenow.

Mr. KENNEDY. When did you first meet Mr. Kamenow?

Mr. KIERDORF. Approximately 3 years ago, sir. I am not certain.

Mr. KENNEDY. Was that in connection with any work that you were doing?

Mr. KIERDORF. Yes.

Mr. KENNEDY. Was that in connection with Charley's Oldsmobile?

Mr. KIERDORF. Yes—no; that was not the first time I met him. It escapes me just the first time I met him. I knew he was a labor relations man and I had forgotten just what place I was organizing at the time where he was. I would have to look it up.

Mr. KENNEDY. Would you find that out for us?

Mr. KIERDORF. I can, sir, yes. I will check back.

Mr. KENNEDY. You did run into him in connection with Charley's Oldsmobile?

Mr. KIERDORF. I did, sir.

Mr. KENNEDY. And with any companies other than the first one?

Mr. KIERDORF. Yes. Later on he was the labor relations counsel for Joe May Chevrolet.

Mr. KENNEDY. And you were trying to organize that company?

Mr. KIERDORF. I did organize them.

Mr. KENNEDY. Mr. Kamenow was Mr. Shefferman's representative in Michigan; is that right?

Mr. KIERDORF. I understand that. I am not positive. I understand they called themselves the Chicago Labor Relations and I was under the supposition he was working for Mr. Shefferman. I heard that. If it is technically true I couldn't vouch for it.

Mr. KENNEDY. You made some stringent efforts to organize Charley's Oldsmobile; did you?

Mr. KIERDORF. That is correct.

Mr. KENNEDY. And they held an election up there?

Mr. KIERDORF. That is correct.

Mr. KENNEDY. And they decided to go with the teamsters?

Mr. KIERDORF. That is correct.

Mr. KENNEDY. Is that shop organized at the present time?

Mr. KIERDORF. No; it isn't.

Mr. KENNEDY. What happened?

Mr. KIERDORF. We organized, and in the process of organizing we had a slight majority of the members who became members of the union. Charley—I was going to say his last name—refused to negotiate a contract or speak to us to try to recognize the union as the bargaining agency. So we struck them and put a picket line. We had a picket line for 3 or 4 or 5 days when he told us to contact his labor relations counsel, who was Mr. George Kamenow. George Kamenow, I stated to Charley at that time, if he wants to see us, come out, I am busy on the picket line, to come out there. He came out and wanted to know what did we want. Under what conditions would we settle. I stated at that time we wanted the usual contract that was in effect with the other automobile dealers that were organized, and he says at that time they were in a very stringent financial status in Charley's. That if he could convince Charley to sign a recognition contract, if we would give him 60 days in which to negotiate for wages, hours, and working conditions.

We agreed to that and in the meantime as is the usual procedure with these people, they not only coerced, but wine and dined their membership until they were ready to sign a contract they again refused. When we counted noses they discharged some, some of the boys quit, and after about 90 days we did not have enough membership to strike the place, or have a majority.

Mr. KENNEDY. You say he discharged some of the workers?

Mr. KIERDORF. Yes.

Mr. KENNEDY. That would be an unfair labor practice.

Mr. KIERDORF. It was.

Mr. KENNEDY. Did you bring a claim of unfair labor practice?

Mr. KIERDORF. We had no place to go. The NLRB refused jurisdiction over the automobile dealers at that time. I believe when we started to organize they were under \$25,000 interstate commerce before they were eligible. As we petitioned them, they raised it to \$50,000, and then to \$100,000, and then they refused jurisdiction over all the automobile dealers.

Mr. KENNEDY. Do you know by whom in Charley's Oldsmobile Mr. Kamenow was hired?

Mr. KIERDORF. No; I do not, sir.

Mr. KENNEDY. But he did not come into the situation until after you had gone on strike; is that right?

Mr. KIERDORF. That is correct.

Mr. KENNEDY. This plant has never been organized up to the present time?

Mr. KIERDORF. No; it has not, sir.

Mr. KENNEDY. Have you ever gone out socially with Mr. Kamenow?

Mr. KIERDORF. No, sir.

Mr. KENNEDY. You have not?

Mr. KIERDORF. No, sir; I had lunch with the gentleman once or twice during the negotiations of Joe May. That is all.

Mr. KENNEDY. Do you know of any payment or any gift that he ever made to any union official?

Mr. KIERDORF. To any union official? No, sir; I do not.

Mr. KENNEDY. You have made a loan to Mr. Hoffa, have you not?

Mr. KIERDORF. I did, sir.

Mr. KENNEDY. When did you make the loan to Mr. Hoffa?

Mr. KIERDORF. I believe it was in December 1952.

Mr. KENNEDY. Could you tell us the circumstances under which you loaned the money to him?

Mr. KIERDORF. Yes. He asked me if I had any available cash and I said I did.

Mr. KENNEDY. In what way did he ask you this?

Mr. KIERDORF. Pardon?

Mr. KENNEDY. Where did he ask you this?

Mr. KIERDORF. In the union hall. I don't know if it was in his office. I believe it was in his office or if he came down to the BA's room.

Mr. KENNEDY. When was this, approximately?

Mr. KIERDORF. In December, I think, 1952, some time in December. I know it was before Christmas, because my wife and I were going to Florida over the holidays and I was unable to do so because I gave the money to Mr. Hoffa. I had enough, but I could not spare to take the holiday at the time, either.

Mr. KENNEDY. He just came up to you and said have you any cash?

Mr. KIERDORF. He asked me, "Have you any cash that you are not using that is available," and I said, "What for," and he said, "I would like to borrow some." I said, "How much?" He said, "How much can you spare?" I said, "Approximately \$2,000. If you need more

I will get it for you. I will borrow it myself, or I will get it." He said, "Now, that will help me. That will be all right." I gave him the \$2,000 next day.

Mr. KENNEDY. Do you know what he wanted the money for?

Mr. KIERDORF. No.

Mr. KENNEDY. Did you tell him it was this little pile you put aside for the Christmas trip?

Mr. KIERDORF. No; I told him if he wanted I would get it, and if he needed any more I would get that for him.

Mr. KENNEDY. Did you go to the bank to get the money?

Mr. KIERDORF. No; I had it at home.

Mr. KENNEDY. Did you have it hidden at home?

Mr. KIERDORF. No; not hidden. I said I had it at home.

Mr. KENNEDY. Do you keep your cash at home?

Mr. KIERDORF. I do. Lots of times I keep a check or two. I earn enough money so I can save approximately half my salary.

Mr. KENNEDY. And you keep that at home?

Mr. KIERDORF. Until I pay some bills by check to have a receipt, then I go down and make a deposit.

Mr. KENNEDY. Do you have a bank account?

Mr. KIERDORF. I do.

Mr. KENNEDY. But in addition to that you keep large sums of money at home in cash.

Mr. KIERDORF. Yes; sometimes I have some money. I wouldn't say large. In my humble circumstances they are large, two, three, four thousand dollars I accumulate at different times.

Mr. KENNEDY. Do you keep that in a box at home?

Mr. KIERDORF. That is right.

Mr. KENNEDY. Why didn't you write a check out for Mr. Hoffa? Why did you bring him cash?

Mr. KIERDORF. Because I had the cash at home. It was just a loan and instead of going to the bank and writing a check I gave it to him in cash.

Mr. KENNEDY. Did you get a note from him?

Mr. KIERDORF. No, sir.

Mr. KENNEDY. Did he pay any interest?

Mr. KIERDORF. No, sir.

Mr. KENNEDY. Up until the time that we interviewed you out in Detroit, he had not paid you back.

Mr. KIERDORF. That is correct.

Mr. KENNEDY. Has he paid you back since?

Mr. KIERDORF. He has, sir.

Mr. KENNEDY. When did he pay you back?

Mr. KIERDORF. He paid me back Friday morning. Friday morning.

Senator MUNDT. Was that last Friday?

Mr. KIERDORF. That is correct.

Mr. KENNEDY. Did he give you a check?

Mr. KIERDORF. He didn't; he wasn't there. I walked into 299 office and Frankie Collins, the secretary-treasurer, said that Herb Grosberg wanted to see me at half past 10. I said, "What about?" And he said, "I don't know." I thought it was maybe in reference to this committee, or other matters, and when I arrived I said, "Do you want

me, Herb?" And he said, "Yes. Here is that check for \$2,000 that Hoffa owes you," and I said, "Thank you; does he need it?" And he said, "No; and he told me to pay you," which he did.

Mr. KENNEDY. Now, during the period when you loaned him this money at the end of 1952, were you in debt at that time yourself?

Mr. KIERDORF. No, sir.

Mr. KENNEDY. Well, according to the records that we have, on October 24, 1951, you borrowed \$872, and on January 24, 1952, you borrowed \$1,326. You had made repayments on both of those loans, but at the time you made the loan to Jimmy Hoffa you owed \$954 on those 2 loans. You owed \$954 at the time you were loaning \$2,000 to Mr. Hoffa in cash.

Mr. KIERDORF. Well, now, to the best of my recollection, sir, I don't remember those loans. I told you in Detroit that after I borrowed the money from Hoffa that I had borrowed \$1,500 from the local.

Mr. KENNEDY. There were two loans that were made by your wife, Mrs. Kierdorf?

Mr. KIERDORF. My wife?

Mr. KENNEDY. Yes.

Mr. KIERDORF. No, sir; my wife never borrowed any money from the union.

Mr. KENNEDY. Not from the union, I am not talking about the union. I am talking about from the bank, at this time you had outstanding loans through your wife of \$954.

Mr. KIERDORF. My wife?

Mr. KENNEDY. That is correct.

Mr. KIERDORF. Not that I know of. She never borrowed any money.

Mr. KENNEDY. What is your wife's name?

Mr. KIERDORF. Leila Kierdorf.

Mr. KENNEDY. Is that spelled L-e-i-l-a?

Mr. KIERDORF. That is correct, usually called "Lila," but that is the correct spelling.

The CHAIRMAN. The Chair presents to you a photostatic copy of a bank record recording a loan made to you in February of 1952, I believe.

Mr. KENNEDY. One is October 24, 1951, and the one to him is January 24, 1952.

The CHAIRMAN. January 24, 1952; that is correct.

It shows a loan to you on January 24, 1952, from the Bank of Commonwealth, in Detroit, Mich. I ask you to examine it and state if you recognize that as a statement of your account, and the loan that you made with the bank.

(Document handed to witness.)

(The witness conferred with his counsel.)

Mr. KIERDORF. I don't recognize this, sir, but the best recollection that I can have—this is on Herman Kierdorf, and that might be the notes that were due on the car that I bought my wife. That is a loan on an Oldsmobile.

The CHAIRMAN. Do you recall having secured that loan from the bank?

Mr. KIERDORF. Yes, on the car; yes, sir, I do.

The CHAIRMAN. All right. What does it show you owed on that loan in December of 1952? What does the bank statement show you owed on it?

Mr. KIERDORF. The top figure is \$1,326, sir.

The CHAIRMAN. I think that you had made payments down to December of 1952, if you will look down there to December of 1952. I think it shows you the balance there.

Mr. KIERDORF. \$666.

The CHAIRMAN. \$666?

Mr. KIERDORF. Yes, sir.

The CHAIRMAN. That document may be made exhibit No. 1 for this series of hearings.

(The document referred to was marked "Exhibit No. 1," for reference and will be found in the appendix on p. 5721.)

The CHAIRMAN. I now present to you a similar document, a photostatic copy of your wife's bank account at the same bank, beginning with October 24, 1951, where, apparently, a loan was obtained in the amount of \$872, and I will ask you to examine that document and see if you identify it.

(Document handed to witness.)

Mr. KIERDORF. Yes; that was another car. That was the Chevrolet that was bought before I traded it in for the Oldsmobile.

The CHAIRMAN. That may be made exhibit No. 2, and you may state what was the balance that your wife owed on that obligation in December of 1952.

(The document referred to was marked "Exhibit No. 2," for reference, and will be found in the appendix on p. 5722.)

(The witness conferred with his counsel.)

Mr. KIERDORF. On what date was that, Senator?

The CHAIRMAN. December of 1952, at the time you loaned Mr. Hoffa \$2,000.

Mr. KIERDORF. That is \$240?

It was \$240, sir.

The CHAIRMAN. That was \$240?

Mr. KIERDORF. That is correct.

The CHAIRMAN. That would make a total, then, that you both owed to the bank at the time you made the loan to Mr. Hoffa, if my calculations are correct, of \$906. Is that correct?

Mr. KIERDORF. Those are the figures, I will agree, sir.

Mr. KENNEDY. We used the figure up above, which was made prior to the time of the loan, Mr. Chairman. Either one is fine.

The CHAIRMAN. It is round numbers, over \$900.

Proceed.

Mr. KENNEDY. So that at the time that you made the loan of \$2,000 in cash you had outstanding loans of your own, you and your wife, of some \$900, or over \$900; is that correct?

Mr. KIERDORF. That is correct.

Mr. KENNEDY. Subsequently, you say Mr. Hoffa paid you back last Friday?

Mr. KIERDORF. That is correct.

Mr. KENNEDY. Since the time that you loaned the \$2,000 to him, up until last Friday, did you borrow money yourself?

Mr. KIERDORF. Yes.

Do you mean from the time I loaned the money?

Mr. KENNEDY. Yes.

Mr. KIERDORF. Yes, I borrowed \$1,500 from the union at one time, while he owed me the \$2,000.

Mr. KENNEDY. What union did you borrow from?

Mr. KIERDORF. 299.

Mr. KENNEDY. Now, that is the union which Mr. Hoffa is president of?

Mr. KIERDORF. That is correct.

Mr. KENNEDY. So Mr. Hoffa had to sign the check?

Mr. KIERDORF. Well, yes.

Mr. KENNEDY. You went to Mr. Hoffa and asked if you could borrow \$1,500 from the union?

Mr. KIERDORF. That is correct.

Mr. KENNEDY. Did Mr. Hoffa say, "Well, Herman, I will give you your \$2,000 back"?

Mr. KIERDORF. No, he did not.

Mr. KENNEDY. He didn't mention that?

Mr. KIERDORF. He did not.

Mr. KENNEDY. He just said "I will get you \$1,500 from the union"?

Mr. KIERDORF. He asked me what I wanted it for, and I said I was short of ready cash because I had given my son some money, and I needed the money, and he said "O. K."

Mr. KENNEDY. Did he mention at all about paying you back?

Mr. KIERDORF. No, he did not, sir.

Mr. KENNEDY. Has he mentioned, up until last Friday, about paying you back the \$2,000 which you say you loaned him?

Mr. KIERDORF. He has asked me at numerous times before last Friday. "Are you holden or are you short"—I am speaking in the vernacular—and I would say, "No, I am all right." I never asked him for the money.

Mr. KENNEDY. He must have known you were a little short in September 17, 1956, when you borrowed \$1,500 from the union.

Mr. KIERDORF. That is correct.

Mr. KENNEDY. Didn't he, at that time—he didn't have to ask you if you were short, he knew then?

Mr. KIERDORF. That is correct.

Mr. KENNEDY. Did he come to you with the \$2,000?

Mr. KIERDORF. He did not.

Mr. KENNEDY. Not until last Friday?

Mr. KIERDORF. That is correct.

Mr. KENNEDY. Did you borrow any other money from the union?

Mr. KIERDORF. No, sir.

Mr. KENNEDY. How about on August 10, 1955, did you borrow \$1,000 from the union then?

Mr. KIERDORF. I may have, if you have the record there.

Mr. KENNEDY. So you borrowed \$1,500?

Mr. KIERDORF. I paid it back. Would you like to have me explain why I borrow money from the union?

Mr. KENNEDY. What I am primarily interested in is your conversations with Mr. Hoffa. First, on August 10, 1955, when you went to borrow \$1,000 you went to Mr. Hoffa and you asked if you could borrow \$1,000, and what conversations you had with him about the \$2,000 that he owed you.

Mr. KIERDORF. None whatsoever, sir.

Mr. KENNEDY. He just said, "I will approve local 299 loaning you \$1,000"?

Mr. KIERDORF. That is correct.

Mr. KENNEDY. He didn't mention about the \$2,000 that he owed you?

Mr. KIERDORF. He did not.

Mr. KENNEDY. Is that right?

Mr. KIERDORF. That is correct.

Mr. KENNEDY. Was this during the same period of time he was asking you if you were short?

Mr. KIERDORF. Yes; at different times. I wouldn't say it was right at the same week, or the same month, but different periods.

Mr. KENNEDY. Then September 17, 1956, another \$1,500 from the local?

Mr. KIERDORF. That is correct.

Mr. KENNEDY. Now, were you borrowing any other money from banks, or any other people, during this period of time?

Mr. KIERDORF. Yes.

Senator MUNDT. I wonder if I could have the attention of Mr. Fitzgerald? Under the rules of our committee, sir, as counsel to the witness you have every right to respond to any suggestions he makes to you, and any requests for counsel, but you are not to be whispering to him and suggesting testimony to him. Now, I grant—just a moment, please—that when Mr. Hoffa was here we leaned over backward in our latitude to let you and Mr. Hoffa discuss matters and we did not hold you to the rules of the committee, but at the end we did not come out very well. I believe maybe we ought to try it now by sticking strictly to the rules of the committee which hold that when the witness seeks your counsel you should give it, but you should not volunteer it.

I suggest to the chairman that we try it now in conformity with the rules of the committee.

The CHAIRMAN. The Chair will always enforce the rules of the committee. I think there are times when some latitude may be shown if the witness is actually searching or seeking to refresh his memory so that he can be more accurate.

The Chair would have no objection to that.

But it is certainly a violation of the rules and very improper for counsel to simply undertake to testify for the witness. I do not believe Mr. Fitzgerald has violated the rule, and I think that he has been trying to be cooperative.

But if there is any evidence of it, the Chair will act very promptly.

Mr. FITZGERALD. I would like to say for Mr. Mundt's benefit, if I applied the rules as strict as he did during the past month when I was cooperating with this committee, I don't think we would have all of the materials that you have at this time. I don't want to take advantage or impose on anybody, but I would like the record to be straight that I didn't come here, Mr. Chairman, to suggest anything to these witnesses.

The CHAIRMAN. The Chair has stated that he has seen or observed nothing improper on the part of counsel. I do regard rules as something to be observed and, of course, the necessity for the rules to prevent counsel from simply, in effect, testifying for the witness or putting words in the witness' mouth.

I may suggest this, and I think we will have no further trouble, that when the witness thinks the counsel has some information as to dates or something, if you will ask permission, the Chair will grant it for you to consult with him.

As to your legal rights, you are at liberty to consult with your counsel at any time to ask him as to your legal rights, and the Chair will respect that right.

Mr. FITZGERALD. Thank you.

The CHAIRMAN. Let us proceed.

Mr. KIERDORF. May I speak to counsel?

The CHAIRMAN. You may.

(The witness conferred with his counsel.)

The CHAIRMAN. Proceed.

Mr. KENNEDY. Mr. Kierdorf, from the time that you allegedly loaned the \$2,000 to Mr. Hoffa at the end of 1952 until he paid you last Friday, you made the two loans from the union, one of \$1,000 and one of \$1,500, is that right?

Mr. KIERDORF. That is correct.

Mr. KENNEDY. And these were both approved by Mr. Hoffa himself?

Mr. KIERDORF. That is correct.

Mr. KENNEDY. Have you made any other loans?

Mr. KIERDORF. Yes. I loaned \$1,000 from the Manufacturers National Bank in Detroit.

Mr. KENNEDY. When was that?

Mr. KIERDORF. Well, approximately a year ago.

Mr. KENNEDY. Was that on October 30, 1956?

Mr. KIERDORF. I couldn't say the exact date, sir, and if you have it, it is approximately correct.

Mr. KENNEDY. That would be the loan that you are talking about?

Mr. KIERDORF. Yes, sir.

Mr. KENNEDY. \$1,000, on October 30, 1956?

Mr. KIERDORF. I believe that was correct.

Mr. KENNEDY. Now, if you needed that \$1,000, why didn't you go to Mr. Hoffa and get the \$2,000 back?

Mr. KIERDORF. Well, for the simple reason that I knew that Jimmy needed the money, and you must take into consideration that when I came out of the penitentiary that this gentleman gave me a job and he also gave me some money so that I could get along for a week or two until I was receiving my pay, and that I am very, very much under his obligation for being able to straighten myself out and go to work, and behave myself, and obtain the kind of a position that I have at the present time. Any time that he wants anything from me, I am willing to go to the bank and I am willing to take any reserve cash I have and give it to him. I am very, very grateful to Jimmy Hoffa for doing what he did for me.

Mr. KENNEDY. Certainly he was getting a greater salary from the union than you were.

Mr. KIERDORF. That is sure.

Mr. KENNEDY. And he had other business deals going at the same time; did he not?

Mr. KIERDORF. I presume he has, and being a recipient of a great deal more salary than I am, I am under the supposition that he also has greater expenses than I have.

Mr. KENNEDY. He had that trucking company going, Test Fleet, which he and Mr. Brennan made some \$125,000 in 5 or 6 years.

Mr. KIERDORF. Of those things, and I am being honest with you, I

don't know. I have never meddled into any affairs, on account of my previous reputation. I went out and did my work, and I didn't put in or seek any information of what was going on at any time. I was very grateful to do my work, and stay out of trouble, and stay out of any controversies, and I have done so for the past 9 years.

Mr. KENNEDY. But you never went to him and asked him to get the money back?

Mr. KIERDORF. No; I know the man, and I know that his word is good, and at any time if he had the money to spare, he would pay me.

Mr. KENNEDY. Did you borrow any other money, in addition to the \$1,000 from the bank?

Mr. KIERDORF. I don't remember, Mr. Kennedy. If you have a record there, I will be glad to say. I might have, over a period of years.

Mr. KENNEDY. We have a record here, and I will read it to you, and then you let me know if you think there are any corrections.

Mr. KIERDORF. I will be glad to.

Mr. KENNEDY. That at the time you made the loan as I have stated, you had loans outstanding of your own, of some \$954; that on July 10, 1953, you borrowed \$776.25 from the Bank of Commonwealth. That is the Bank of Commonwealth. On April 2, 1954, \$525; and on September 23, 1954, \$472.50; on September 24, 1954, \$525; on April 5, 1955, \$535; on May 2, 1955, \$2,602.56; on October 28, 1955, \$270; on February 4, 1956, \$535; on November 26, 1956, \$535; on January 29, 1957, \$1,548; on September 17, 1957, \$537; on October 31, 1955, from the Manufacturers National Bank, \$795; and then this loan that you have already mentioned on October 30, 1956, of \$1,060.

Then 2 loans that you have mentioned, from the union, on August 10, 1955, of \$1,000, and on September 17, 1956, \$1,500.

Does that sound correct to you?

Mr. KIERDORF. It probably is, if I could go over the entire thing. If you have them there I will agree that they are true, Mr. Kennedy, because I know that you wouldn't have them if they weren't correct. But probably they were loans that I had borrowed for the missus' car, and so forth, and at different times I loaned my sons money, and if I may speak in the vernacular, I am a fast man with a dollar, as they say. I know what adversity is, and I have helped a lot of people in my time, and I still do it. I could have paid cash for my missus' car, and instead of that, if my recollection is correct, my son in Saginaw needed \$1,000, and he was getting married. I keep enough cash at home, and with my salary, I am able to pay off these notes, and it is like putting money in the bank for me, and I always have a bit of reserve for my sons or my friends, or whoever may need any help from me; if they are decent people, I give it to them.

Mr. KENNEDY. From the time that you loaned Mr. Hoffa \$2,000 in cash, you borrowed from various sources some \$13,214.31.

Mr. KIERDORF. That could be true, if you have the figures there. I know they must be true, but it seems like an awful lot of money to me right now, all in a lump. It probably didn't at the time I was borrowing \$500 here and \$1,000 there, and so on and so forth. If you have the figures, I will agree to them.

Mr. KENNEDY. Do you have any other source of income, or have you had any other source of income other than your union employment?

Mr. KIERDORF. No, sir, not a quarter.

Mr. KENNEDY. In the last time, since you got out of the penitentiary?

Mr. KIERDORF. That is correct; I have kept my nose clean.

Mr. KENNEDY. How about the jewelry business? Have you been in that?

Mr. KIERDORF. My son was in the jewelry business, and used my name, and that cost me a few thousand dollars, too, until he found out he wasn't right handed or left handed.

Mr. KENNEDY. He was using your name?

Mr. KIERDORF. Yes. Jack Kierdorf & Son.

Mr. KENNEDY. Did you know he was using your name?

Mr. KIERDORF. Absolutely.

Mr. KENNEDY. You didn't get anything from it?

Mr. KIERDORF. No, I paid out, and it cost me money.

Mr. KENNEDY. What does your son do?

Mr. KIERDORF. He is a rigger.

Mr. KENNEDY. He is in the riggers union?

Mr. KIERDORF. That is correct.

Mr. KENNEDY. Was he involved in any difficulty with the law?

Mr. KIERDORF. Yes. In the fight of a strike, and that is all. Just a short time ago at Grand Blanc, when there was a big fracas up there between the two unions over jurisdiction or whatever it may have been, he was in that fight.

Mr. KENNEDY. He received some kind of sentence?

Mr. KIERDORF. He received probation.

Mr. KENNEDY. The riggers union went up with pipes to beat the—

Mr. KIERDORF. I wasn't there and I don't know what happened. I don't know why they should have went up with pipes, because their tools of trade are such that they don't need to go up with pipes. They have spud wrenches, the same as other building trades.

Mr. KENNEDY. Did your son tell you anything about it?

Mr. KIERDORF. I asked him what occurred. He said there was a melee. These men tried to keep them from going to work. I believe his union was in the right about the jurisdiction, and I understand that the proprietor of the firm at that time or the superintendent asked the people that started the fight to stop the agitating and let the men do their work. I believe the riggers were willing to go to work and do their work but these fellows tried to stop them, so a fight ensued.

Mr. KENNEDY. Did you sell any jewelry to Mr. Lower of Sun Valley?

Mr. KIERDORF. Yes.

Mr. KENNEDY. You were in the jewelry business?

Mr. KIERDORF. I would not say that. I had a diamond ring and he admired it, and I sold it to him. That is all the jewelry business I done with him. I sold it to him and didn't make a penny profit, because my son being in the jewelry business and buying things, I was in a position to buy this ring at wholesale. After I bought it, I didn't have any use for it, and it was just money tied up. He admired it for some time and he asked me would you sell it and I said, yes. He said, how much? I believe it was—I am not positive—\$980 or \$1,100 or something like that.

Mr. KENNEDY. Where did you buy the ring?

Mr. KIERDORF. I bought it off Leo Frank & Sons, jewelers, in the Metropolitan Building in Detroit.

Mr. KENNEDY. Have you ever made any loans from Mr. Frank?

Mr. KIERDORF. Have I? No, sir.

Mr. KENNEDY. What has been your business relationship with Mr. Frank?

Mr. KIERDORF. Just the buying—friends of mine wanted a watch or ring or anything, I can get it at a wholesale price approximately and I do so.

Mr. KENNEDY. Jewelry for your friends?

Mr. KIERDORF. That is right. In fact, I have two watches in my pocket right now my friends give me for repair. Coming down here I have not been able to get them in the jewelry shop for them, just as a favor.

Mr. KENNEDY. You bring them to Leo Frank?

Mr. KIERDORF. Yes. No, these I take to a watch repairman in the Metropolitan Building by the name of Tennenbaum who does the work for the jewelers. I get a discount on the price there. I get the same price that the retail jeweler would pay for repairing. It saves my friend 2 or 3 dollars on the cleaning or repairing of a watch.

Mr. KENNEDY. Is that what your son's business is, jewelry?

Mr. KIERDORF. He doesn't buy any jewelry any more.

Mr. KENNEDY. He is not in the jewelry business?

Mr. KIERDORF. No. He has been a rigger for a number of years.

The CHAIRMAN. The Chair would like to ask you one or two questions.

As I understood your testimony, Mr. Hoffa employed you.

Mr. KIERDORF. That is correct.

The CHAIRMAN. He has the authority to employ and also to discharge those who occupy the position you have?

Mr. KIERDORF. No. He may have. But in my instance when I spoke to him and asked him to give me a break and give me a job that I was capable of organizing, I was capable of doing the work and I would do it, and do it conscientiously, he said, "I will send you up to 614 and check the trucks at the gravel stops, and as soon as the joint council meets, I will let you know. It will be a week or two. Then you come down to the meeting." He put my name before the joint council, explained who I was, and that I had experience in organization, and so forth, and they voted to put me to work as the business representative of the joint council.

The CHAIRMAN. Do you know of any other business agents Mr. Hoffa borrowed money from along about that time?

Mr. KIERDORF. Only what I heard, just rumors. To state that I know he borrowed money from them, I don't know.

The CHAIRMAN. I want to ask you one other question.

Mr. KIERDORF. Yes, sir.

The CHAIRMAN. Did you at any time ever ask Mr. Hoffa to pay you back?

Mr. KIERDORF. I did not quite hear you, Senator.

The CHAIRMAN. Did you ever at any time over that period of years after you made the loan ask Mr. Hoffa to repay you?

Mr. KIERDORF. No, I never did, sir.

The CHAIRMAN. Did you ask him last Friday?

Mr. KIERDORF. No, sir.

The CHAIRMAN. So it was repaid after he testified without your asking him?

Mr. KIERDORF. Yes, I didn't ask him. As I explained, when I walked into the 290 office to look in my message box, the secretary-treasurer told me that Mr. Grosbeck would be there at 10:40 and wished to see me. When he came in and I asked him what he wanted, he said, "Here is a check that Mr. Hoffa issued."

The CHAIRMAN. I do not know, but the facts probably speak for themselves, and one can draw his own conclusions, but here you were over this period of time after you loaned Mr. Hoffa that money, \$2,000, just a salaried man, and had no other income, you loaned him \$2,000, cash that you had on hand at the time. Thereafter, when you needed money you borrowed both from banks and from the union. You never at any time asked him to repay you and he never at any time offered to repay you other than to ask you, as you say, whether you were short of money, and there were at least two occasions when it came to his attention that you were short of money.

Mr. KIERDORF. Yes.

The CHAIRMAN. Because you went to him and borrowed from the union with his approval. Those are the circumstances that are presented to us. Are there any further questions? Senator MUNDT?

Senator MUNDT. Mr. Kierdorf, do you know Mr. Snyder, whose name was mentioned in the committee room this afternoon?

Mr. KIERDORF. Yes, I do.

Senator MUNDT. Do you know him as a man who holds a job somewhat similar to yours, as business agent for another union?

Mr. KIERDORF. Yes.

Senator MUNDT. You could help us find him, could you?

Mr. KIERDORF. I don't know. I may be able to. If I can, I will.

Senator MUNDT. Do you know where he lives?

Mr. KIERDORF. No, I don't sir, I knew that he was working on a boat somewhere. I think he was working checking cars going on some of the steamships somewhere.

Senator MUNDT. When did you last see Mr. Snyder?

Mr. KIERDORF. Approximately a month ago I should say.

Senator MUNDT. Mr. Grosbeck handed you the check. Is he a personal secretary to Mr. Hoffa? What connection does he have with Mr. Hoffa?

Mr. KIERDORF. I don't know just what his business is. He is with a firm of accountants. Again this is a supposition on my part, as I stated before I never inquired into anybody's personal affairs. I understand that he and Mr. Hoffa had some interests in some sort of business, he buys bonds or sells bonds for him. That is a supposition. I don't know whether it is true or not.

Senator MUNDT. Was the check signed by Mr. Grosbeck?

Mr. KIERDORF. No, I don't believe it was. It was a cashier's check.

Senator MUNDT. It was a cashier's check?

Mr. KIERDORF. To be frank, I didn't look at the signature. It was a cashier's check. It says pay to the order of Kierdorf \$2,000.

Senator MUNDT. It was not a personal check from Jimmy Hoffa?

Mr. KIERDORF. No, sir, it was a cashier's check. I happened to be going to the bank, I took it to the bank and deposited it.

Senator MUNDT. And it didn't bounce?

Mr. KIERDORF. Not yet. I have been gone since. If it bounces I will be some short, too, because I immediately wrote checks against it.

The CHAIRMAN. Are there any further questions? The witness may stand aside.

Call the next witness.

Mr. KENNEDY. Before I do, what is your salary now, Mr. Kierdorf?

Mr. KIERDORF. \$10,070 is what I take home.

Mr. KENNEDY. What are the expenses you receive?

Mr. KIERDORF. Whatever legitimate expenses I have receipts that I incur, like on a strike, lots of time I supplement the boys on the picket line.

Mr. KENNEDY. Do you have a set amount that you receive?

Mr. KIERDORF. No. \$40, \$50 a week are my regular running expenses.

Senator MUNDT. You said \$10,070 is your take-home pay after taxes per year?

Mr. KIERDORF. Yes.

Senator MUNDT. What is your nominal salary before taxes?

Mr. KIERDORF. I couldn't tell you, sir, believe it or not. I would have to ask the secretary-treasurer just what it is. I know my take-home checks are \$178, \$175. I have approximately \$100 a week that I can give away or play with or loan.

Senator McNAMARA. I would like to ask the witness, doesn't your paycheck reflect how much is paid for taxes and other withholding?

Mr. KIERDORF. No, it doesn't, Senator.

Senator McNAMARA. It is quite unusual, isn't it? Ordinarily a paycheck reflects what is paid for withholding.

Mr. KIERDORF. From factories I know—I don't understand—a factory check of employees, it is usually their gross pay, deductions for insurance and so on. It doesn't appear on ours. Our secretary-treasurer, I know, because I sit in there and I see him check it all up, the withholding tax and so on, and everything else.

Senator McNAMARA. When you make a tax return at the end of the year, you have to go to him and find out how much he paid you. You don't have a running account.

Mr. KIERDORF. We get the slip.

Senator McNAMARA. At the end of the year?

Mr. KIERDORF. That is correct, sir.

Senator McNAMARA. All right.

Mr. KENNEDY. Mr. Paul Allen.

The CHAIRMAN. Mr. Allen, come around, please, sir.

You do solemnly swear that the evidence you shall give before this Senate Select Committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. ALLEN. I do.

TESTIMONY OF PAUL C. ALLEN, ACCOMPANIED BY HIS COUNSEL, GEORGE S. FITZGERALD

The CHAIRMAN. State your name, your place of residence, and your business or occupation, Mr. Allen.

Mr. ALLEN. Paul C. Allen, 481 Bellevue Road, Lake Orion, Mich. I am the business manager of the Machine Riggers and Erectors Union of Detroit.

The CHAIRMAN. You have Mr. Fitzgerald representing you, as your counsel?

Mr. ALLEN. Yes, sir.

The CHAIRMAN. The record may so show. How long have you been in your present position?

Mr. ALLEN. 1941.

The CHAIRMAN. What is your salary?

Mr. ALLEN. \$150 a week, \$25 allowances.

The CHAIRMAN. All right, Mr. Counsel.

Mr. KENNEDY. The previous witness, Mr. Kierdorf, mentioned about the difficulties at Grand Blanc. Is that how you pronounce it?

Mr. ALLEN. Grand Blanc.

Mr. KENNEDY. In connection with the riggers' union. Were you involved in that?

Mr. ALLEN. I was.

Mr. KENNEDY. What was the situation? Were you tried? Was there a criminal action against you?

Mr. ALLEN. I plead guilty.

Mr. KENNEDY. When was that?

Mr. ALLEN. Gentlemen, I don't know the date. It was January 14 of this year; for felonious assault.

Mr. KENNEDY. There were other officials of the riggers' union involved in that?

Mr. ALLEN. There was.

Mr. KENNEDY. Three or four, were there?

Mr. ALLEN. We had 1 other official and 2 union stewards go to jail.

Mr. KENNEDY. Mr. Jack Kierdorf was also involved?

Mr. ALLEN. He was involved in the proceedings.

Mr. KENNEDY. He received 3 years' probation.

Mr. ALLEN. I think he did.

Mr. KENNEDY. What was your sentence?

Mr. ALLEN. Five years' probation.

Mr. KENNEDY. Was there a fine?

Mr. ALLEN. \$1,000 fine.

Mr. KENNEDY. Did you pay the fine yourself?

Mr. ALLEN. My organization paid the fine.

Mr. KENNEDY. Your union paid the fine?

Mr. ALLEN. That is right. They paid the fine for all the people involved.

Mr. KENNEDY. Who represented you in that case?

Mr. ALLEN. George Fitzgerald and Joseph Joseph.

Mr. KENNEDY. Did your union pay their fee?

Mr. ALLEN. They did.

Mr. KENNEDY. They represented all the defendants?

Mr. ALLEN. They represented all the defendants involved.

Mr. KENNEDY. How many members of the riggers' union came up from Detroit to Grand Blanc?

Mr. ALLEN. I couldn't say how many came up because there are considerable people working in Grand Blanc and Flint that live in Detroit.

Mr. KENNEDY. There were about 200 members in the riggers union?

Mr. ALLEN. No, there was not in my opinion over 120 people.

Mr. KENNEDY. Were there any teamsters with you?

Mr. ALLEN. Not with us, no.

Mr. KENNEDY. Were there any teamsters up there?

Mr. ALLEN. There were teamsters employed up there, yes.

Mr. KENNEDY. Were there any teamsters involved in this?

Mr. ALLEN. Not that I know of. There is a lot of people there. A lot of people got involved.

Mr. KENNEDY. Do you know if any teamsters came up from Detroit in connection with this matter?

Mr. ALLEN. Not in connection with this matter; no.

Mr. KENNEDY. Did any teamsters come up from Detroit during this period of time?

Mr. ALLEN. I understood there were some teamsters on the job; yes. They worked there. They had about 150 people on the job.

Mr. KENNEDY. And they came from Detroit?

Mr. ALLEN. Many of them live in Detroit and go up there every day.

Mr. KENNEDY. How did the rest of the riggers come up to Grand Blanc? How did you come up to Grand Blanc?

Mr. ALLEN. I was called the day before that the trades had ganged up on our people. They tore down the shanty, they threw the clothes and burned them. They hit several of our people with pipes. They crashed up one automobile. Sixty people would gather around 4 or 5 of our people and run them out of the factory. I got a call from the employer. I told him to arrange a meeting or he said he would try to arrange to get the agents together to settle the thing the next day. I called him and I got a call from my steward. I told my steward to get in touch with all the men so they could know where to reach them that night to see if we worked the next day. I got a call from the employer. Do you want me to finish?

Mr. KENNEDY. Yes, please.

Mr. ALLEN. I got a call from the employer and I asked him specifically did he want us to work the next morning at 8 o'clock. He said "Yes." I told him, "You know we were run out today bodily like a bunch of dogs," that we wasn't going to be run out the next day, but we would appear for work and we would work and we wanted a meeting set up so that this kind of jurisdictional dispute could be handled without any trouble. He advised me that the building trades council in Flint had called a meeting for 9:30 or 10 o'clock the next morning. I told him I would be there at 8 o'clock.

I got there—I notified our stewards on the job to have the men report at 7 o'clock to go to work to be ready for work at 8 o'clock.

So the next morning we reported for work. A lot of the men was a little afraid to go in. We told them under no circumstances start no trouble, do anything to agitate anything. If there was any trouble came up, contact us. It seems as if the other group got in there and told our people that we run you out yesterday, today we are going to run you out, so you don't come back again. We don't want nobody from Detroit here in Flint working.

My steward had not showed up so the assistant steward came out and got me and said they gathered up on the dock and pushed our people back into the corner by the new building. You got to remember there were 16 other trades involved against our one trade. There was about 500 other people on the job involved against our 100 or 120 people.

I came in to the factor. I came into the factory and we worked in two places. You got to remember—you got to know the sites to know how we were. Over here we were working in Grand Blanc for Fisher Body. About a quarter of a mile directly in back is the Government storage site for the United States, I guess it is the ordnance, I don't know, either the Air Force or ordnance. We had about 100 people working in there. I got word to come into the factory. I came into the factory about 8 o'clock.

About quarter after 8, I think it was, our people got pushed over in the corner, about 75, and they were still coming. Maybe there were about 50 when I got there, and still coming from around here and there.

Mr. KENNEDY. I don't want to go into all the details of the fight.

Mr. ALLEN. Do you want my story.

Mr. KENNEDY. The court held subsequently that you, the riggers union, was responsible, did they not?

Mr. ALLEN. We plead guilty not of being guilty in the act, but of going too far. We were told by our legal advisers that even when you are attacked that you can go too far. Like a bunch of cornered people that we were, wanting to get out, we were told that we went too far, and therefore we were guilty and we plead guilty.

Mr. KENNEDY. Did you have to make a payment to some people who suffered some severe injuries?

Mr. ALLEN. We paid \$30,000 damages and we understand we are being sued for about \$2 million more.

Mr. KENNEDY. The \$30,000 was to a man who suffered a fractured skull and broken eardrum.

Mr. ALLEN. I couldn't tell you which man it was. It was handled through the attorneys.

Mr. KENNEDY. Did the union pay any of the fine?

Mr. ALLEN. The union paid \$11,000.

Mr. KENNEDY. To that man?

Mr. ALLEN. Under the court order we had to pay some and the union paid some.

Mr. KENNEDY. When did the union pay the \$11,000? Approximately when was it?

Mr. ALLEN. I think it was several days after the hearing. I am not sure. Or during the hearing.

Mr. KENNEDY. Is the riggers union a member of the Teamsters Joint Council?

Mr. ALLEN. They are not.

Mr. KENNEDY. They have no connection with the teamsters union?

Mr. ALLEN. No connection whatsoever.

Mr. KENNEDY. Do you receive any moneys from the teamsters?

Mr. ALLEN. I do not.

Mr. KENNEDY. Do you receive any expenses from the teamsters?

Mr. ALLEN. I do not.

Senator MUNDT. With whom is the riggers union affiliated?

Mr. ALLEN. With the International Association of Bridge, Structural, and Ornamental Iron Workers.

Senator MUNDT. Is that an independent union?

Mr. ALLEN. In the building trades department of the American Federation of Labor-CIO.

Senator MUNDT. No connection with the teamsters except that they also belong to the AFL-CIO?

Mr. ALLEN. That is probably right.

Mr. KENNEDY. You didn't receive any hotel expenses in July 1955 from local No. 299?

Mr. ALLEN. I did not, although I read in the paper that I had.

Mr. KENNEDY. But you did not?

Mr. ALLEN. I did not. It was a bill sent by mistake, and I paid the hotel and told them to correct it.

Mr. KENNEDY. Did you make a loan to Mr. Hoffa?

Mr. ALLEN. I did.

Mr. KENNEDY. When was that?

Mr. ALLEN. In the fall of 1952.

Mr. KENNEDY. What were the circumstances surrounding your loan, and how much was it?

Mr. ALLEN. The loan was for \$2,000, and for what purpose he needed it, I did not know. I happened to be in the building because our people in the garages worked together. I happened to be in the building sometime in that time and I met him in the hallway. I said, "You look a little low." I think that is probably what the conversation was.

Mr. KENNEDY. You said to him, "You look a little low"?

Mr. ALLEN. I think something like that. Anyway, he said he needed some money. I said maybe I can help you out. I got a few dollars between me and my wife. So he says they will help, so I got \$2,000 and gave it to him the next morning.

Mr. KENNEDY. Where did you get the \$2,000?

Mr. ALLEN. I got it from the banker, my wife.

Senator MUNDT. What had been your previous contacts or associations with Mr. Hoffa?

Mr. ALLEN. None only except in the cause of business and friendship to some extent. You understand us. Our people work for cartage companies and his people work for cartage companies in 90 percent of the cases. So we are bound to run into each other in the normal negotiations and work. Mostly I run into his agents. When I first started in I mostly run into him.

Senator MUNDT. Had you known him for quite a few years?

Mr. ALLEN. The first time I met him was in 1938.

Senator MUNDT. The loan was made in 1952?

Mr. ALLEN. Yes.

Senator MUNDT. Had you known him intimately or socially or on a friendly basis?

Mr. ALLEN. I would say we got to be very friendly over a period of time.

Senator MUNDT. Did he ever help you get a job of any kind?

Mr. ALLEN. No. I never asked him for a job and he never helped me.

Senator MUNDT. You never belonged to his union?

Mr. ALLEN. I never belonged to the teamsters union.

Senator MUNDT. It is a matter of personal friendship that developed over a period of years?

Mr. ALLEN. I would say that.

Mr. KENNEDY. You made this loan of \$2,000 in the fall of 1952?

Mr. ALLEN. Yes.

Mr. KENNEDY. You received the money from your wife?

Mr. ALLEN. That is right.

Mr. KENNEDY. You were married at that time?

Mr. ALLEN. I believe I was. I just got married.

Mr. KENNEDY. You had saved this money and put this money aside?

Mr. ALLEN. Between the two. She saved quite a bit. Between what I saved since I got my first divorce we put it aside to get married on and so forth.

Mr. KENNEDY. You put it aside to get married on?

Mr. ALLEN. Not entirely; no. I think I was married at the time I gave him the money.

Mr. KENNEDY. I think you told us out in Detroit that you put this money aside to get married and you used that money to give to Jimmy Hoffa.

Mr. ALLEN. In Detroit when you questioned me, I figured we had four or five thousands dollars in the kitty jointly between us.

Mr. KENNEDY. Where was the kitty kept?

Mr. ALLEN. I may have been off one or two. Whether I was married a month or so. After all a guy doesn't get married every day.

Mr. KENNEDY. Where was the kitty kept?

Mr. ALLEN. She kept it. I never asked her.

Mr. KENNEDY. You went to her and asked her for \$2,000 for Jim Hoffa?

Mr. ALLEN. I went to her and told her that Jimmy Hoffa said he needed some money, and I said I could loan him some. She said, "How much did you say?" I didn't say, but I figured \$2,000. She said, "O. K., if you think it is all right."

Mr. KENNEDY. Did you ask Mr. Hoffa what he was going to use the money for?

Mr. ALLEN. I never asked Mr. Hoffa what he was going to use it for.

Mr. KENNEDY. You gave it to him in cash?

Mr. ALLEN. In cash.

Mr. KENNEDY. Did you get a note?

Mr. ALLEN. No, sir.

Mr. KENNEDY. Has he paid any interest?

Mr. ALLEN. No, sir.

Mr. KENNEDY. When we talked to you out in Detroit, you told us he had not repaid you.

Mr. ALLEN. I got a call last Thursday night at my house to be in to see Mr. Grosbeck at the Teamsters office. I thought it was in connection with the committee, as we promised George Fitzgerald we would be available at any time. I went in there and Mr. Grosbeck gave me a check for \$2,000, a cashier's check. He had me sign a receipt. I took the check and left.

Mr. KENNEDY. Had you asked Mr. Hoffa for the money?

Mr. ALLEN. And no time had I asked him for the money.

Mr. KENNEDY. You had not asked him for the money from the time you loaned it to him in 1952 up until the time he repaid you last Thursday?

Mr. ALLEN. That is right. Last Friday he paid me.

Mr. KENNEDY. He paid you on Friday?

Mr. ALLEN. I got a call on Thursday to come in the office Friday morning.

Mr. KENNEDY. Did you meet Mr. Kierdorf there?

Mr. ALLEN. I seen Mr. Kierdorf in the hallway but not to talk to him.

Mr. KENNEDY. Were there a group of business agents coming in to get their money?

Mr. ALLEN. I would not know. There was about 150 people there. Whether they were all business agents or not I wouldn't know.

Mr. KENNEDY. But during this 5-year period you had never spoken to him about getting the money back?

Mr. ALLEN. That is right.

Mr. KENNEDY. Had you loaned or borrowed any money yourself during this period of time?

Mr. ALLEN. I think I have. I think I bought the car on payment. I think I have a mortgage on my home. I think it was in 1952 I got the mortgage. I borrowed some money from the credit union in 1955. I was a little confused when I told you about it in Detroit, the \$150 I was telling you about, was for my boy. I borrowed on his account over in Germany. He is in the credit union and I borrowed the \$100 instead of \$150 because he had a \$50 allotment check. I sent the \$150 back to him so he could make a tour of Denmark and Sweden. There is where I was confused. I borrowed about \$500 from the credit union in 1955.

Mr. KENNEDY. \$500?

Mr. ALLEN. Yes.

Mr. KENNEDY. Did you borrow any other money?

Mr. ALLEN. Can I look at this? In times I paid some back and borrowed more at the same time. At the present time I owe \$240 at the credit union. I think I paid \$40 a month on it.

Mr. KENNEDY. And 3 or 4 months ago you borrowed \$1,500 from another friend?

Mr. ALLEN. I borrowed \$1,500 I think it was in April.

The CHAIRMAN. The \$2,000 check is going to come in pretty handy.

Mr. ALLEN. I gave that back to the wife. That belongs to her.

Mr. KENNEDY. What was the name of the friend you borrowed the money from?

Mr. ALLEN. John Martin Wolf.

Mr. KENNEDY. And you borrowed that back in April 1957?

Mr. ALLEN. This year, yes.

Mr. KENNEDY. Then you got a mortgage on your home, is that right?

Mr. ALLEN. Yes.

Mr. KENNEDY. The balance outstanding on that is over \$5,000?

Mr. ALLEN. I didn't hear you.

Mr. KENNEDY. It is over \$5,000?

Mr. ALLEN. I think it is \$5,900. I am not quite sure.

Mr. KENNEDY. During this period of time you never spoke to Mr. Hoffa about repaying the money?

Mr. ALLEN. I did not.

Mr. KENNEDY. And he never spoke to you?

Mr. ALLEN. He never mentioned it.

Mr. KENNEDY. He never mentioned it in 5 years?

Mr. ALLEN. That is right.

Mr. KENNEDY. Up until last Thursday when you received the telephone call to come down to pick up your loan?

Mr. ALLEN. Just a call to come down to the office. I didn't know I was going to get the money.

Senator MUNDT. You had seen him quite a few times in the last 5 years?

Mr. ALLEN. I wouldn't say too many times. I see him a lot of times in the course of business, yes.

Senator MUNDT. You said that previously you had been quite friendly.

Mr. ALLEN. I mean that. But I didn't go out of my way to see him or anything.

Senator MUNDT. I just wondered if you had seen him many times since you were a personal friend—in the 5 years—

Mr. ALLEN. Yes, I met him.

Senator MUNDT. It seems logical that he would have mentioned to you casually sometimes, "I am going to pay you that \$2,000 one of these days. I don't have it right now, but you will get it." He would have mentioned it some time. You are sure he never mentioned it?

Mr. ALLEN. He never mentioned it. It might be logical, but he never did.

Senator MUNDT. It was a kind of blind spot in your conversation. Nobody ever mentioned the \$2,000?

Mr. ALLEN. I think you have to understand friendship. If I was friendly with anybody and he owed me money, and I know a lot of people are that way, I would be embarrassed to ask him for the money, and he might be embarrassed to say—

Senator MUNDT. I can see the first part, where you might be embarrassed to say to a friend, "How about the \$2,000." But it seems to me that if he was a friend of yours, he would be embarrassed not at least to mention the fact that he still had it in mind and he was going to pay you sometime.

Mr. ALLEN. I don't know your personal feelings.

Senator MUNDT. Here you are for 5 years, with a personal friendship, with \$2,000 outstanding, and the man who had the money would not at any time say, "Allen, I am going to pay you. I can't pay you right now. I want you to know that I continue to appreciate the fact you are letting me use the \$2,000." It is rather curious to me that he would duck away from that subject entirely as if it had leprosy.

Mr. ALLEN. That could be it.

Senator MUNDT. I can understand your part. I can see why you would not go to a friend and say, "How about the \$2,000?" That makes sense. The other part is a little hard for me to believe.

Mr. ALLEN. I can't say what his personal feelings might be, because he didn't pay me. I feel he might be embarrassed, too, at times. I just feel that way.

Senator MUNDT. When you got your \$2,000 back, was there \$50 interest, or anything like that on it?

Mr. ALLEN. No.

Senator MUNDT. Just \$2,000?

Mr. ALLEN. That is right.

Senator MUNDT. Not a note, "Thanks a lot, Paul, I appreciate this loan for 5 years?"

Mr. ALLEN. I didn't see Jimmy at all.

Senator MUNDT. He had another man hand you \$2,000 and that was it?

Mr. ALLEN. A business transaction.

Senator MUNDT. Not even a friendly little note saying "Thanks a lot"?

Mr. ALLEN. No.

The CHAIRMAN. Are there any further questions?

Senator McNAMARA. I would like to ask you a question. Why is there such a close connection between the teamsters and the organization you represent, a branch of the International Association of Bridge, Structural, and Ornamental Iron Workers? Do you work on the same equipment?

Mr. ALLEN. We work in the same equipment a lot of times. Their drivers drive our trucks to the job, and work the winches, and there are many hazardous conditions where they hoist things. There are a lot of times like brother and son, brother and father, son and father, and brother and brother, 1 with the teamsters and 1 with the riggers, and there is quite a tie-in there. At one time back in—this is before my time—but at one time our organization belonged to the teamsters, about 1919, or 1917. Then in 1936 and 1937 our organization was with the UAW, I guess the UAW-CIO at the time. Then we broke away from that, and we went into the Bridge and Structural and Ornamental Iron Workers.

Senator McNAMARA. Your people actually take the machinery, if it is machinery you are moving, and load it onto their trucks and then you unload it and send it to places that the nature of the work requires?

Mr. ALLEN. We erect the heavy stamping machinery and we do steeplejack work, and one branch of our trade builds the bridges, and so forth.

Senator McNAMARA. Your jurisdiction is just the rigger's part of it?

Mr. ALLEN. That is correct.

Senator McNAMARA. I see. That is all.

The CHAIRMAN. Is there anything further you want to state about your transaction with Mr. Hoffa?

Mr. ALLEN. No, sir.

The CHAIRMAN. At the time that you loaned him the money, was there any agreement about when he would repay it?

Mr. ALLEN. There was nothing said about repayment.

The CHAIRMAN. Did you ever expect to get it back?

Mr. ALLEN. I knew someday I would get it back.

The CHAIRMAN. You knew someday?

Mr. ALLEN. Yes.

The CHAIRMAN. Did you anticipate then you would not hear from it for 5 years?

Mr. ALLEN. No; I didn't.

The CHAIRMAN. Are there any further questions?

Mr. KENNEDY. No.

The CHAIRMAN. You may stand aside.

Mr. KENNEDY. Mr. James Clift.

Mr. FITZGERALD. I was going to ask, Mr. Chairman, may these other two witnesses be excused?

The CHAIRMAN. They may be excused.

You do solemnly swear that the testimony you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. CLIFT. I do.

**TESTIMONY OF JAMES CLIFT, ACCOMPANIED BY COUNSEL
GEORGE S. FITZGERALD**

The CHAIRMAN. State your name and place of residence and your business or occupation.

Mr. CLIFT. James Clift, 6568 Fairwood, Garden City, Mich. I am a business representative of the Teamsters Union, Local 337, Detroit, Mich.

The CHAIRMAN. How long have you been in that capacity?

Mr. CLIFT. With the teamsters union, or with the local, you mean?

The CHAIRMAN. We will start with the local.

Mr. CLIFT. Since 1944.

The CHAIRMAN. Since 1944 you have been a business agent with the local?

Mr. CLIFT. That is right.

The CHAIRMAN. Prior to that time you had been with the union how long?

Mr. CLIFT. Approximately 4 years.

The CHAIRMAN. All right.

Mr. KENNEDY. Mr. Clift, you made a loan to Mr. Hoffa?

Mr. CLIFT. I did.

Mr. KENNEDY. When was that?

Mr. CLIFT. It was around Thanksgiving of 1952.

Mr. KENNEDY. Would you tell us the circumstances surrounding that loan?

Mr. CLIFT. I beg your pardon?

Mr. KENNEDY. Will you tell us about that loan, why you happened to make the loan to Mr. Hoffa?

Mr. CLIFT. I was sitting in the business agents' room, in our building—I think that you are familiar with it, Mr. Kennedy—and Mr. Hoffa came in and asked me if I was holding any money that he could use, and I asked him how much, and he said, "Could you let me have \$1,000?" and I said, "Yes, sir."

The next day, or in the next day or so, I brought it down to him.

Mr. KENNEDY. Where did you get it?

Mr. CLIFT. At home.

Mr. KENNEDY. You kept it at home?

Mr. CLIFT. I did.

Mr. KENNEDY. You keep cash at home?

Mr. CLIFT. I do.

Mr. KENNEDY. Do you have a bank account?

Mr. CLIFT. Yes, I do.

Mr. KENNEDY. But you happened to keep this money at home?

Mr. CLIFT. I did.

Mr. KENNEDY. Why didn't you write him a check?

Mr. CLIFT. Because I didn't have that much money in the bank.

Mr. KENNEDY. You just had it at home?

Mr. CLIFT. That is right.

Mr. KENNEDY. You keep a little box at home?

Mr. CLIFT. Not especially.

Mr. KENNEDY. Just around the home?

Mr. CLIFT. That is correct.

Mr. KENNEDY. You went home and you got the cash and you brought it down and gave it to him?

Mr. CLIFT. That I did.

Mr. KENNEDY. Did he give you a note?

Mr. CLIFT. No.

Mr. KENNEDY. Do you have any evidence that you made the loan to him?

Mr. CLIFT. No, I don't.

Mr. KENNEDY. Now, when I talked to you out in Detroit you said that he had not repaid you the money.

Mr. CLIFT. That is right.

Mr. KENNEDY. Has he repaid you?

Mr. CLIFT. He has.

Mr. KENNEDY. When did he repay you?

Mr. CLIFT. Thursday of last week.

Mr. Grosberg paid me.

Mr. KENNEDY. Mr. Grosberg did?

Mr. CLIFT. That is right.

Mr. KENNEDY. He just gave you a check?

Mr. CLIFT. That is right; a cashier's check.

Mr. KENNEDY. Did he tell you it was from Mr. Hoffa?

Mr. CLIFT. He did.

Mr. KENNEDY. Now, during this period of time, from Thanksgiving of 1952 to last Thursday, had you had any discussions with Mr. Hoffa about this \$1,000 that he owed you?

Mr. CLIFT. No; I didn't.

Mr. KENNEDY. Did he ever offer to repay you the \$1,000?

Mr. CLIFT. No; he didn't.

Mr. KENNEDY. Did you ever ask him for any of the \$1,000?

Mr. CLIFT. I never did.

Mr. KENNEDY. Have you been making any loans or have you made any loans during this 5-year period?

Mr. CLIFT. Yes, sir; I have.

Mr. KENNEDY. Would you tell us about those?

Mr. CLIFT. I would like to ask for a clarification. Do you call financing a car, when you buy a car, is that a loan? Are you talking of a loan of cash?

Mr. KENNEDY. No; any kind of a loan.

Mr. CLIFT. Well, that I would like to know.

The CHAIRMAN. Well, to clarify it, a loan is where you borrow money, or where you went into debt and gave a note or obligation for repayment.

Mr. CLIFT. I think, since I gave Mr. Hoffa the \$1,000, I think that I bought 2 cars, which I had financed, and I had a car that I had bought prior to that, that was financed. I made a loan of \$1,500 on FHA for modernization of my home.

The CHAIRMAN. That was September 13, 1954?

Mr. CLIFT. Yes; it was. It was the Bank of the Commonwealth, Myrtle and 14th Street. I think it was sometime in 1955 I made a loan of the local of \$450. I think that is it.

The CHAIRMAN. What was that, again, the last one?

Mr. CLIFT. I think that I made a loan, or I made a loan from the local, local 337, of \$450.

The CHAIRMAN. When was that? Was it February 17, 1955?

Mr. CLIFT. I think that was approximately it.

Mr. KENNEDY. Now, rather than borrow the \$450 from the local, why didn't you go to Mr. Hoffa and ask him to pay you at least part of the money back that he owed you?

Mr. CLIFT. I didn't feel I wanted to.

Mr. KENNEDY. He never offered it, during this period?

Mr. CLIFT. I never asked, and he never offered.

Mr. KENNEDY. According to the records that we have, you made a loan on your automobile, June 30, 1952, of \$1,420.

Mr. CLIFT. That was a new car I bought.

Mr. KENNEDY. Well, you made a loan on the purchase of a new car.

Mr. CLIFT. That was a car that was financed, \$1,420.

Mr. KENNEDY. You financed another car on January 12, 1956, for \$1,405; is that right?

Mr. CLIFT. That is correct.

Mr. KENNEDY. And, on July 24, 1957, an auto loan of \$1,359.72; is that right?

Mr. CLIFT. That is right.

Mr. KENNEDY. In addition, you borrowed the \$450 from the local 337, of which you are business agent?

Mr. CLIFT. Yes, sir.

Mr. KENNEDY. During this period of time, when you needed the money, you never went to Mr. Hoffa to ask him to repay the money that you say that you loaned to him?

Mr. CLIFT. That is correct.

Mr. KENNEDY. Do you have any judgments outstanding against you now?

Mr. CLIFT. No, sir.

Senator MUNDT. When you obtained the loan from the local, did you pay interest to the local for the money?

Mr. CLIFT. I don't think that I did. I am not positive. But I am pretty sure I didn't.

Senator MUNDT. You are a business agent for the local, and you must know something about its lending arrangements. Do they make loans without interest?

Mr. CLIFT. At various times.

Senator MUNDT. Do any of the dues-paying members, who get short, go to the union and borrow money rather than go to a bank?

Mr. CLIFT. In many cases, Senator.

Senator MUNDT. What would you say the total amount of the outstanding loans would be?

Mr. CLIFT. Very small.

Senator MUNDT. How small?

Mr. CLIFT. An estimate I couldn't give you, and I am not the secretary-treasurer.

Senator MUNDT. But it is your testimony under oath that any worker who gets short can go to his union, No. 337, and borrow money without interest from the union; is that right?

Mr. CLIFT. I didn't say "any member."

Senator MUNDT. Just the officials?

Mr. CLIFT. For the correction, Senator, I didn't say "any member." Senator MUNDT. Which members can and which members cannot?

Mr. CLIFT. A member who might have a wife going into the hospital, or one of the many serious cases, and it would have to be a very serious case in order for that member to borrow money. Whereas he would sign an authorization to pay it back.

Senator MUNDT. All right; you have some rules, then, by which you determine when a member can borrow money from the union without interest. One of them is when he has a wife who has to go into the hospital or seriously ill, or he is confronted with a big medical bill. What others?

Mr. CLIFT. I couldn't give you a correct answer, and I don't think you would want me to.

Senator MUNDT. I would like a correct answer.

Mr. CLIFT. I can only speak on the cases, or a case, maybe, that I might know of. If a member—I know this hasn't happened in quite a few years—but I have seen times when a member would come in and his wife would be in the hospital and he might need \$150 to get her out. Well, we sure are not going to let a member's wife stay in the hospital because he can't get her out.

Senator MUNDT. That is one rule. Any member who has a wife in the hospital and needs money can go to the union and borrow money without interest.

Mr. CLIFT. I cannot answer you whether there is interest or not.

Senator MUNDT. I was asking you whether or not there was interest on your loan.

Mr. CLIFT. I cannot answer that.

Senator MUNDT. In your particular case, did your loan meet the rule? Was your wife in the hospital?

Mr. CLIFT. I didn't get the question, Senator.

Senator MUNDT. In your case, did your loan meet the rule? Was your wife in the hospital, and did you need the \$450 for medical purposes?

Mr. CLIFT. No, sir.

Senator MUNDT. Why did you need the money?

Mr. CLIFT. Oh, I don't know at the moment. It depends on many things, and I might want to have bought something.

Senator MUNDT. I am trying to figure out whether there was any special rule for officials and different rules for members who pay their dues—just a moment. The member who pays the dues, according to your testimony, gets it when his wife is in the hospital; but you say you got it for some other reason, and I am trying to find out what it is, to find out whether it applies to the fellow who pays the dues. What did you borrow it for? You remember why you needed the money; do you not?

Mr. CLIFT. I beg your pardon?

Senator MUNDT. You remember why you needed the money. It was February of 1955, a couple of years ago that you borrowed \$450.

Mr. CLIFT. I think it was to buy some property.

Senator MUNDT. Is it fair to assume, then, that anybody who pays dues to the union, which accumulates the funds which are available for loan, who wants to buy property, can also go to the union as you did and borrow money without interest, or was that something special for the officials?

Mr. CLIFT. I don't know, Senator, of any members that had a reason or a just cause for borrowing money that never got it.

Senator MUNDT. Well, certainly buying property is a just reason for borrowing money?

Mr. CLIFT. It could be.

Senator MUNDT. Was this Sun Valley property that you bought?

Mr. CLIFT. I think so.

Senator MUNDT. Can any member of the union, then, who wants to invest in property at Sun Valley, borrow money from the union without interest, as you did, or is this a privilege reserved for union officials?

Mr. CLIFT. I honestly can't answer that question. I don't know of any members that asked to borrow any money for that reason.

Senator MUNDT. There would be a lot of members of any union that would want to borrow money to buy property if they could get it without interest. That is a pretty good investment. I think that you would find a line out in front of your door if you would just announce over the radio now that this is available to anybody in the union—and it should be because they pay the dues that create the funds. I am sure when they create the fund they do not do it with the intention that only the officials can use it.

Mr. CLIFT. May I consult with my counsel a moment?

Senator MUNDT. Surely.

(The witness conferred with his counsel.)

Mr. CLIFT. This is Senator Mundt, is that right?

Senator MUNDT. That is right.

Mr. CLIFT. Senator Mundt, I am not the financial secretary-treasurer of the local union, and what the conditions of borrowing the money for or the interest rates or anything like that I am not qualified to answer.

Senator MUNDT. You are a union member.

Mr. CLIFT. I am a union member.

Senator MUNDT. As a union member, do you feel that the rules that apply to the union officials on borrowing funds should also apply to the union members on borrowing funds, or do you think that there should be a special hierarchy of privileged officials who can borrow money on different terms than the workers who have to pay the money that goes into the union funds?

You can answer that question, as a union member. You are a trustee, I believe, of the local union.

Mr. CLIFT. Just one second. May I consult my counsel?

Senator MUNDT. I would rather have your opinion first, if you can give it to me. You can certainly consult your counsel, but I am trying to find out what Mr. Clift thinks about it.

Mr. CLIFT. I would rather consult my counsel first.

Senator MUNDT. All right.

(The witness conferred with his counsel.)

Mr. CLIFT. I feel, Senator Mndt, any member desiring to make a loan, who will come down and give a good reason for borrowing money, should be able to borrow money.

Senator MUNDT. On the same basis whehther he is an official or not?

Mr. CLIFT. Correct.

Senator MUNDT. I certainly think that if unions are in the business of making loans without interest that your position is very sound, and I think that that is correct.

Now, in your particular case, it cost you about \$200 to loan \$1,000 to Jimmy Hoffa, did it not? You loaned him \$1,000 without interest for 5 years, and I am sure that in the financing of an automobile in Detroit you cannot borrow money for less than 4 percent, certainly, and probably you would have to pay more.

Us country folks have to pay more, but let us say it is 4 percent. When you loan a man \$1,000, that is taking \$40 a year out of your pocket, in interest, that you do not get, and in 5 years, it is \$200. So I was wondering when you got the \$1,000 back from Mr. Hoffa if there was a \$200 check for the interest that you were out because you had been paying it to finance companies while he had been enjoying the use of your \$1,000.

Mr. CLIFT. There could have been.

Senator MUNDT. Was there?

Mr. CLIFT. But, Senator—

Senator MUNDT. I am asking you how much the check was?

Mr. CLIFT. I beg your pardon?

Senator MUNDT. How much of a check did you get?

Mr. CLIFT. From Mr. Hoffa?

Senator MUNDT. Or Mr. Grosberg?

Mr. CLIFT. \$1,000.

Senator MUNDT. You said there could have been an extra \$200. Was there?

Mr. CLIFT. No. I said there could have been that much interest, and I am agreeing with you there could have been that much. But I am not crying about it.

Senator MUNDT. I am not saying you are.

Mr. CLIFT. I want to keep the record straight.

Senator MUNDT. I am pointing out that indirectly Jimmy Hoffa was the beneficiary of \$200 worth of interest that he did not have to pay because he got the money that you got from the union, actually; and you borrowed the money, part of it, from the union without interest and part of it went to him. So I am pointing out that he was the one, ultimately, as in the other two cases, also, who got the benefit of the interest-free money. I am just making a commentary.

Mr. CLIFT. Oh.

The CHAIRMAN. Are there any questions?

Senator McNAMARA. You indicate that you are an officer of local 337. What is that designated, and what is 337?

Mr. CLIFT. That is a food and beverage local.

Senator McNAMARA. Who is the president?

Mr. CLIFT. Bert Brennan.

Senator McNAMARA. When you go to borrow money does he have to approve it, or who approves it?

Mr. CLIFT. Yes.

Senator McNAMARA. Who is the secretary-treasurer?

Mr. CLIFT. Robert Holmes.

Senator McNAMARA. They are the ones you go to to make a loan?

Mr. CLIFT. Yes, that is right.

Senator McNAMARA. That is all, Mr. Chairman.

Senator MUNDT. Mr. Clift, when Mr. Hoffa was before us, he said that among his various investments he had some oil properties up in my neighboring State of North Dakota. I was wondering if there are any rumors around Detroit that Jimmy Hoffa, as well, has suddenly hit a gusher up there between last Wednesday and this Tuesday, because he seems to have come into a lot of extra money.

Mr. CLIFT. I haven't heard of it.

Senator MUNDT. As a neighbor of North Dakota, I am interested if that has happened.

Mr. CLIFT. I haven't heard of it, sir.

Senator MUNDT. It must have come from somewhere, and I did not know where.

Mr. CLIFT. It is wonderful.

Mr. KENNEDY. I just have a couple of questions.

Mr. Clift, you are a delegate from local 337 to the national convention?

Mr. CLIFT. I am.

Mr. KENNEDY. Were you elected as a delegate?

Mr. CLIFT. I will be.

Mr. KENNEDY. You will be elected?

Mr. CLIFT. Yes, sir.

Mr. KENNEDY. Do you have a meeting scheduled to elect you?

Mr. CLIFT. Yes, sir.

Mr. KENNEDY. When is that scheduled?

Mr. CLIFT. Tonight.

Mr. KENNEDY. There is going to be a meeting tonight to elect you?

Mr. CLIFT. There will be.

Mr. KENNEDY. When was that meeting called?

Mr. CLIFT. I think they were notified last Thursday or Friday of a special called meeting.

Mr. KENNEDY. Just in the last week, is that right?

Mr. CLIFT. That is right.

Mr. KENNEDY. How do you know you are going to be it?

Mr. CLIFT. Well, from my membership, and the executive board, preferably the executive board, and I am an executive of the local union, it would grant me the right to go to the convention. Subject to the approval of the rank-and-file member, which the membership meeting is called for tonight.

Mr. KENNEDY. The executive board, when did they select you to go?

Mr. CLIFT. I think sometime in February, and I am not sure.

Mr. KENNEDY. They didn't decide up until the last week to have it ratified by the membership?

Mr. CLIFT. No, I think it has been ratified right along, by the membership.

Mr. KENNEDY. It has to be ratified at a general meeting, and a general meeting wasn't called until the last week?

Mr. CLIFT. No, our meetings are held by divisions, and now this is a general membership meeting tonight.

Mr. KENNEDY. At a regular general meeting of the membership?

Mr. CLIFT. There is no regular general meeting of the membership, and it is held by divisions. I think that I can explain this. I don't think a meat driver would like to know what a fish driver is doing.

Mr. KENNEDY. How do you know the membership—it is 4 o'clock

in the afternoon in Washington—is going to elect you tonight in Detroit? And what kind of a democratic process is that?

Mr. CLIFT. I would like to say this: I am put up as a delegate subject to the approval of the general membership meeting.

Mr. KENNEDY. Do you have opposition?

Mr. CLIFT. I don't know; I don't think so.

Mr. KENNEDY. You haven't heard of any, have you?

Mr. CLIFT. No; not that I know of.

Mr. KENNEDY. Who is the head of your union?

Mr. CLIFT. Mr. Bert Brennan.

Mr. KENNEDY. He is one of the delegates, too?

Mr. CLIFT. Yes.

Mr. KENNEDY. Has he been nominated by your executive board?

Mr. CLIFT. Yes; he has.

Mr. KENNEDY. They just nominate one slate, and then the slate is submitted to the membership?

Mr. CLIFT. That could be changed tonight, maybe, and I don't know. The membership will decide who goes.

Mr. KENNEDY. You answered the question that you were going when I asked you.

Mr. CLIFT. Well, I am very sorry—subject to the membership's approval.

Senator McNAMARA. While the chief counsel is checking something, the notes he has, I would like to ask who is eligible for membership to this delegation. Is any member of the union in good standing?

Mr. CLIFT. For a period of 2 years.

Senator McNAMARA. It is not restricted to any particular group; anybody who is a paid-up member is eligible to be selected at this membership meeting?

Mr. CLIFT. Yes.

Senator MUNDT. I am not quite clear how you got nominated. You say you are nominated by the executive board?

Mr. CLIFT. That is right.

Senator MUNDT. Could you tell me how you got nominated? You are nominated, and are to be confirmed tonight. Who nominated you?

Mr. CLIFT. To be frank with you, I don't know, Senator.

Senator MUNDT. You do not know?

Mr. CLIFT. No.

Senator MUNDT. Not the individual; but is there a nominating committee, or does the executive board do the nominating, or does Mr. Brennan pick the nominees? That is what I am trying to get at. What is the procedure of nominating delegates to the convention? You have been nominated.

Mr. CLIFT. The executive board usually recommends.

Senator MUNDT. Recommends the names?

Mr. CLIFT. They recommend, and the nominations will be before the membership tonight.

Senator MUNDT. That is what I understand.

Mr. CLIFT. That is right.

Senator MUNDT. I am trying to find out now who selected the names to go before the membership tonight.

Mr. CLIFT. Pardon me a second, please.

(The witness conferred with his counsel.)

Mr. CLIFT. They are nominations by the executive board.

Senator MUNDT. Now, you are a member of the executive board, are you?

Mr. CLIFT. That is right.

Senator MUNDT. Did you nominate yourself?

Mr. CLIFT. No, sir; I don't think so.

Senator MUNDT. What is that?

Mr. CLIFT. I don't think so.

Senator MUNDT. Did you nominate Mr. Brennan, and Mr. Brennan nominated you?

Mr. CLIFT. I most likely did nominate Mr. Brennan.

Senator MUNDT. And Mr. Brennan most likely nominated you?

Mr. CLIFT. It could have been mostly anybody on the executive board.

Mr. KENNEDY. We have the minutes here. Mr. Clift is mistaken. He did nominate himself.

Mr. CLIFT. I don't think I did.

Mr. KENNEDY. It says:

Brother James Clift made a motion, supported by Brother Walter Schuler, that the personnel of local union No. 337, comprised of Bert Brennan, James Langley, Robert Holmes, Frank Yezbec, James Clift, Walter Schuler, Charles Burge, Allen Balfour, Cecil Watts, Morris Coleman, Louis Desser, and George Danuk, be elected as delegates to attend the international convention this fall.

You people already elected the delegates back in February.

Mr. CLIFT. If that is the minutes of the meeting—

Mr. KENNEDY. Yes.

Mr. CLIFT. It is subject to the approval of the membership night. If that is the reading of the minutes, then I nominated myself along with the personnel of our local union; correct?

Mr. KENNEDY. You nominated yourself to go to Miami.

Mr. CLIFT. For what—O. K.

The CHAIRMAN. I followed the reading of chief counsel of what appears to be a photostatic copy of the minutes of the executive-board meeting of February 1, 1957. Would you like to examine the minutes?

Mr. CLIFT. I don't think it is necessary, Senator.

The CHAIRMAN. We will consider it as read in the record.

Mr. KENNEDY. It says here according to the constitution, and I am just trying to get cleared up, as to your position in this matter:

All delegates to the international convention shall be selected by a vote at a regular meeting of the local union.

Is this a regular meeting?

Mr. CLIFT. Just a second.

(The witness conferred with his counsel.)

Mr. CLIFT. I wish you would read the other method, Mr. Kennedy.

Mr. KENNEDY. I will do that. Would you say that this is not the way you are selecting your delegates? Are you selecting your delegates under the regular-meeting method?

Mr. CLIFT. I wish you would read the other part of the constitution.

Mr. KENNEDY. I won't have to read it if that is the way you are selecting your delegates. Is that the way you are selecting your delegates?

Mr. CLIFT. You read the minutes of the meeting.

Mr. KENNEDY. You ought to know how you are selected.

Mr. CLIFT. It is to be approved at a regular meeting.

Mr. KENNEDY. Are the delegates to the international convention being selected by a vote at a regular meeting of the local union? There are two ways they can be sent to Miami. One is selected by vote at a regular meeting of the union. Are you following that procedure?

Mr. CLIFT. No. We are selected by the executive board of the local union.

Mr. KENNEDY. So, that is out. You are going the second way, as I understand it:

Or such delegates may be appointed by the executive board of the local union if so authorized by a vote of the local-union membership at a regular meeting.

Were you authorized before February of 1957, or was the executive board authorized, to select the delegates to the meeting in Miami? [Reading:]

Or such delegates may be appointed by the executive board of the local union if so authorized by a vote of the local-union membership at a regular meeting.

Were you authorized to select the delegates?

Mr. CLIFT. Right now, I can't recall.

Mr. KENNEDY. We can't find anything like that—any authorization being given to you.

(The witness conferred with his counsel.)

Mr. CLIFT. Normally, and this is the way it usually works—

Mr. KENNEDY. I am not asking for that. This is the constitution of the teamsters.

Mr. CLIFT. Yes.

Mr. KENNEDY. That is what we are trying to find out. Under the constitution, not how you normally do it.

Mr. CLIFT. O. K.

Mr. KENNEDY. It says:

All convention delegates except substitutes delegates shall be selected during the period from the receipt by the union of the convention call up to the 30th day preceding the 1st day of the convention.

So it is already too late for you to select your delegates if it is going to be tonight. Are you aware of that? If you selected them back in February 1957, you selected them too soon. If you selected them tonight, you select them too late. Either way, it is illegal.

Mr. CLIFT. It is illegal.

Mr. KENNEDY. Under your constitution, if you pay any attention to your constitution.

Mr. CLIFT. I think the constitution says the executive board has the right to appoint.

Mr. KENNEDY. I read that to you.

Mr. CLIFT. That is right.

Mr. KENNEDY (reading):

May be appointed by the executive board of the local union if so authorized by a vote of the local union membership.

We cannot find anyplace that the membership authorized that. Then, in addition to that, I would like to point out that they have to be selected and elected up to the 30th day preceding the 1st day of the convention, and the 1st day of the convention is in 4 or 5 days. So, you are 25 too late.

Mr. CLIFT. Pardon me.

(The witness conferred with his counsel.)

Mr. CLIFT. Mr. Kennedy, I would like at this time to let you have the union lawyers iron that thing out. It is a constitutional matter concerning the international teamsters.

Mr. KENNEDY. You are a delegate.

The CHAIRMAN. The constitution, as read, would determine how the delegates might be properly selected and elected. According to your testimony and according to the reading of the constitution, you are not proceeding in this election. Your election as a delegate is not in conformity with either provision of the constitution. I assume that you officers who have responsible positions know what the constitution provides and that you would want to conform to it. Do you know that, under the constitution, you have not yet been legally elected?

Mr. CLIFT. Senator, I still say I would like to have the union attorneys iron that matter out.

The CHAIRMAN. We are trying to help you a little to iron it out.

Mr. CLIFT. I think we have attorneys that can do it.

Senator MUNDT. You have somewhat of a personal interest in this. You are going to be a delegate down there. You can't get seated if you are not seated according to the constitution if somebody challenges you. You don't want to go down to Miami and have the door slammed in your face.

Mr. CLIFT. I will take a chance on my attorneys.

Senator MUNDT. You will be the delegate. The attorney will not be a delegate. You will be down there, and they will say, "What are you doing around here; you are not in conformity with the constitution?" Somebody may get up and say, "We believe in the constitution of the teamsters."

Mr. CLIFT. Will you excuse me 1 second, Senator?

Senator MUNDT. Surely.

(The witness conferred with his counsel.)

Mr. CLIFT. Senator, I am very sorry. I made a mistake a moment ago. You read from the minutes of the February meeting, where the delegates were picked: is that right?

Mr. KENNEDY. Elected by the executive board.

The CHAIRMAN (reading):

President Brennan advised the board that the international union advised the local they would be allowed 12 delegates to the international convention in the fall. Brother James Clift made a motion, supported by Brother Walter Schuler, that the personnel of local union No. 337, comprised of Bert Brennan, James Langley, Robert Holmes, Frank Yezbec, James Clift, Walter Schuler, Charles Burge, Allen Balfour, Cecil Watts, Morris Coleman, Louis Desser, and George Danuk, be elected as delegates to attend the international conference this fall. Motion carried unanimously.

This says elected. It doesn't say nominated or recommended or to be submitted to any general meeting or anything else. This says elected. I don't know whether you contend that was or was not an election.

Mr. CLIFT. It was an election.

The CHAIRMAN. It was.

Mr. CLIFT. Senator, tonight the meeting is called to reconfirm the executive board's decision.

The CHAIRMAN. Reconfirm?

Mr. CLIFT. Right.

The CHAIRMAN. If the executive board action was illegal and taken at the improper time and not in conformity to the constitution, and the constitution provides that such confirmation or election must be done 30 days before the convening of the convention, I don't know how you are going to get yourself legal.

Mr. CLIFT. Senator, I will leave that to our attorneys.

The CHAIRMAN. All right.

Senator McNAMARA. Does local 337 have a constitution and bylaws?

Mr. CLIFT. Yes, they do.

Senator McNAMARA. Do you have a copy of it?

Mr. CLIFT. Not with me.

Senator McNAMARA. Does your attorney have a copy of it?

Mr. CLIFT. I doubt it.

Mr. McNAMARA. Does the staff have a copy?

Mr. KENNEDY. No.

Senator McNAMARA. I would expect this thing might be resolved if we had a copy of the local bylaws. It might tie in with the international bylaws. Unfortunately we don't have a copy available.

Senator MUNDT. Senator, do you think it would be possible for a local to have bylaws in conflict with the international union?

Senator McNAMARA. No; I think you have authority to have local bylaws if they do not conflict.

Senator MUNDT. They would conflict if they provided for less than 30 days.

Senator McNAMARA. They could include in the local bylaws the authority to delegate in advance to the executive board the authority to make the recommendation subject to approval.

Senator MUNDT. I think the national constitution would have to prevail unless there is something which specifically says that a local constitution may be adopted in complete defiance of the national constitution. I think whatever they adopt they would have to conform to the 30-day rule.

Senator McNAMARA. I think that is so. That is why I was asking for it.

Senator MUNDT. I am sure if they produce it, they will find it is in conformity with the national constitution but apparently what they have done here is violated the provision. Is it your case, Mr. Clift, that I read about in the newspaper the other day—that some lawyer is challenging the convention because of illegal delegates?

Mr. CLIFT. I don't think it was my case. I don't think I made the papers in quite a few years.

Senator MUNDT. I am not saying you individually. I am saying this group, according to your constitution, has no status or standing. It cannot become legal constitutionally now because the 30-day period has elapsed.

Mr. CLIFT. I can't understand your question on that.

Mr. KENNEDY. Could you tell me whether local 299 of which Mr. Hoffa is a delegate, if their delegates were elected the same way as 337's were elected?

Mr. CLIFT. I can't answer that.

Mr. KENNEDY. I just want to say for the record, Mr. Chairman, that the call for the convention went out on either June 2, 3, or 4, and according to the constitution the delegates cannot be selected

prior to the time that the call for the convention goes out. So they could not be selected back in February because the call, as I say, for the convention did not go out until either June 2, 3, or 4, and they cannot be selected now because of the fact that the 30 days has elapsed.

The CHAIRMAN. The Chair will order the two sections of the constitution to which we have referred printed in the record at this point.

(The sections referred to follow:)

Section 5. All delegates to the international convention shall be selected by vote at a regular meeting of the local union, or such delegates may be appointed by the executive board of the local union if so authorized by a vote of the local union membership at a regular meeting. All convention delegates, except substitute delegates, shall be selected during the period from the receipt by the union of the convention call up to the 30th day preceding the 1st day of the convention. In the event of disability of a delegate selected by a local union to attend the convention, the executive board of that local union may appoint a substitute to replace such delegate. Each delegate or substitute must be an active member working at the craft. This, however, must not be construed so as to bar the election of salaried officers of local unions or officers of the international union. All international officers and organizers who have worked continuously for 1 year or more shall be entitled to all the privileges of regularly credentialed delegates; provided that this shall not be construed to make eligible for international office an organizer who is not otherwise eligible through having worked at the craft for such a length of time as to have made him eligible for international office as in this constitution provided.

Section 6. (a) The secretary-treasurer of each local shall, immediately after the election of delegates, forward their names to the general secretary-treasurer, who shall publish a list of delegates. Each delegate shall present his credentials, properly signed by the president and secretary-treasurer, and the seal of the local union shall be impressed thereon. He shall also present his membership card, establishing that he is a member in good standing and entitled to a seat in the convention.

(b) All credentials must be in the general office 30 days prior to the opening of the convention.

Senator McNAMARA. Mr. Chairman, I would like to make a request that I be furnished with a copy of the local 337 constitution and by-laws.

Mr. CLIFT. I will have to mail it to you, Senator.

The CHAIRMAN. Mail an extra copy for the committee will you? Proceed.

Mr. KENNEDY. That is all.

The CHAIRMAN. Mr. Clift, just one other question. Do you know how many business agents such as you made loans along about that time to Mr. Hoffa?

Mr. CLIFT. No, I don't, Senator.

The CHAIRMAN. In view of the third one now who has testified that he has made a loan and got their money back about 5 years later, nothing had ever been said about it; no one mentioned it; it is a little strange coincidence that such business transactions are carried on that way. I wonder if you can in any way throw any further light on it that might give us a better understanding of how it occurred?

Mr. CLIFT. The only way I can answer you like that, it is great to have friends.

The CHAIRMAN. To what?

Mr. CLIFT. It is great to have friends.

The CHAIRMAN. Have you got another one like that that you loaned \$2,000 to?

Mr. CLIFT. Maybe one.

The CHAIRMAN. Would you mind naming him? I don't think it is important.

Mr. CLIFT. I don't think so.

The CHAIRMAN. You would not want to talk about that?

Mr. CLIFT. I don't think so.

The CHAIRMAN. We may find out about it, and ask you later. All right, go ahead.

Mr. KENNEDY. Just one question. You appeared before the Coolihan grand jury; did you?

Mr. CLIFT. Not before the grand jury. Before a committee, I think.

Mr. KENNEDY. Before a committee?

Mr. CLIFT. Not the Coolihan grand jury.

Mr. KENNEDY. What committee did you appear before?

Mr. CLIFT. What committee? I was called in and asked a question on the thousand dollars, I think it was.

Mr. KENNEDY. But you never appeared under oath before the grand jury back in 1953?

Mr. CLIFT. Back when?

Mr. KENNEDY. Back in 1953.

Mr. CLIFT. No.

Mr. KENNEDY. You did not appear before a grand jury?

Mr. CLIFT. No; not in session.

Mr. KENNEDY. Do you know anything about the use of any Minifons by Mr. Hoffa or any teamster official?

Mr. CLIFT. No.

Mr. KENNEDY. Did you ever hear they purchased any Minifons?

Mr. CLIFT. Never.

Mr. KENNEDY. Did you ever hear that Mr. Hoffa had any Minifons?

Mr. CLIFT. No.

Mr. KENNEDY. You never heard any discussion about that?

Mr. CLIFT. Never.

Mr. KENNEDY. He never mentioned to you that he purchased some?

Mr. CLIFT. No.

Mr. KENNEDY. Have you ever had a Minifon on?

Mr. CLIFT. I don't know what they look like.

Mr. KENNEDY. Have you ever had a Minifon on?

Mr. CLIFT. I don't know what they look like.

Mr. KENNEDY. Have you ever had a Minifon on?

Mr. CLIFT. Never.

The CHAIRMAN. Call the next witness.

Mr. KENNEDY. Mr. William Bell.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. BELL. I do.

TESTIMONY OF WILLIAM BELL, ACCOMPANIED BY HIS COUNSEL,
GEORGE S. FITZGERALD

The CHAIRMAN. Be seated. State your name, place of residence, and your business or occupation.

Mr. BELL. William Bell. I live at 19816 Murray Hill, Detroit, Mich.

The CHAIRMAN. All right, Mr. Counsel, you may proceed.

Mr. KENNEDY. You are a business agent, are you, Mr. Bell?

Mr. BELL. Yes.

Mr. KENNEDY. For what union?

Mr. BELL. Local 299.

Mr. KENNEDY. And you have been a business agent for how long?

Mr. BELL. Since 1939.

Mr. KENNEDY. You made a loan to Mr. Hoffa?

Mr. BELL. Yes, sir.

Mr. KENNEDY. When was that?

Mr. BELL. In the latter part of 1952. I believe it was November or the latter part of October.

Mr. KENNEDY. Was that in the teamsters headquarters?

Mr. BELL. Yes, sir.

Mr. KENNEDY. Had he spoken to you about that?

Mr. BELL. Yes.

Mr. KENNEDY. What did he say to you?

Mr. BELL. He just asked me if I had some money that I could spare and I told him I did.

Mr. KENNEDY. Where were you at the time?

Mr. BELL. I believe I was in the business agents' room in the teamsters headquarters.

Mr. KENNEDY. Did he look "low"; did he look "down"?

Mr. BELL. I don't remember if he did.

Mr. KENNEDY. He just came in and asked if you had any money to spare?

Mr. BELL. He did.

Mr. KENNEDY. Had he asked you that question before?

Mr. BELL. No, sir.

Mr. KENNEDY. What did you say? Were you surprised?

Mr. BELL. A little bit at the time, yes; but not necessarily so.

Mr. KENNEDY. What did you say?

Mr. BELL. I said, "Yes; I have some money."

Mr. KENNEDY. What did he say to you then?

Mr. BELL. He asked me if I could not spare about a thousand dollars, and I told him I could.

Mr. KENNEDY. Did you give him a thousand dollars?

Mr. BELL. Within the next day or two.

Mr. KENNEDY. Where did you get the thousand dollars?

Mr. BELL. At home.

Mr. KENNEDY. Have you a bank account?

Mr. BELL. Yes, sir.

Mr. KENNEDY. But you kept this thousand dollars at home?

Mr. BELL. I had a thousand at this time at home.

Mr. KENNEDY. Was it cash at home?

Mr. BELL. Yes, sir.

Mr. KENNEDY. Did you keep that in a little box at home?

Mr. BELL. No; not in a box.

Mr. KENNEDY. Just around the house?

Mr. BELL. Yes, sir.

Mr. KENNEDY. You keep that kind of money around the house?

Mr. BELL. Not all the time.

Mr. KENNEDY. But you brought it in and gave it to Mr. Hoffa; is that right?

Mr. BELL. Yes.

Mr. KENNEDY. When our investigators talked to you out in Detroit, I believe, you said that Mr. Hoffa had not repaid that money; is that right?

Mr. BELL. That is right.

Mr. KENNEDY. Has he repaid you?

Mr. BELL. Yes, sir.

Mr. KENNEDY. When did he repay you?

Mr. BELL. Last Thursday.

Mr. KENNEDY. What were the circumstances?

Mr. BELL. I came in the office Thursday afternoon and I saw Mr. Grosbeck. He said, "Here, I have some money for you." He handed me a cashier's check for \$1,000, and I signed a receipt.

Mr. KENNEDY. During this period of time from the end of 1952 until last Thursday, had you ever discussed with Mr. Hoffa his repaying you the thousand dollars?

Mr. BELL. No, sir.

Mr. KENNEDY. He never mentioned that?

Mr. BELL. No, sir.

Mr. KENNEDY. During this period of time had you made any loans or borrowed any money yourself?

Mr. BELL. Yes, sir.

Mr. KENNEDY. From whom and what amounts?

Mr. BELL. I financed a car through the Commonwealth Bank. I borrowed \$1,000 from local 299.

Mr. KENNEDY. That is local 299 of which Mr. Hoffa is president?

Mr. BELL. Yes, sir.

Mr. KENNEDY. Prior to the time that you borrowed \$1,000 from local 299, did you discuss it with Mr. Hoffa?

Mr. BELL. I asked him for it; yes.

Mr. KENNEDY. Did he say, "Don't take it from the union. I will repay the loan to you?"

Mr. BELL. He didn't say that.

Mr. KENNEDY. He didn't say that?

Mr. BELL. No.

Mr. KENNEDY. Did you discuss it at all?

Mr. BELL. He said, "I will O. K. the loan."

Mr. KENNEDY. There was not any discussion at all about \$1,000?

Mr. BELL. No, sir.

Mr. KENNEDY. There was no discussion about it in fact until last Thursday, for 5 years?

Mr. BELL. That is right.

Mr. KENNEDY. No talk about it at all?

Mr. BELL. No, sir.

Mr. KENNEDY. When he approved the loan from local 299 he didn't say anything about repaying his own personal loan to you?

Mr. BELL. No, sir.

Mr. KENNEDY. Why didn't you ask for the money back from him rather than getting it from the local?

Mr. BELL. I just asked him for the loan.

Mr. KENNEDY. Why didn't you ask him for the money back that you loaned to him?

Mr. BELL. I just asked him for a loan of \$1,000.

Mr. KENNEDY. You didn't answer the question. Why didn't you ask him for the money that you had loaned to him? Why didn't you ask him for that money back?

Mr. BELL. I just didn't ask him for it.

Mr. KENNEDY. You did in fact loan him the money?

Mr. BELL. Yes, sir.

Mr. KENNEDY. You loaned him the money and yet you went to local 299 to borrow another \$1,000.

Mr. BELL. Yes, sir.

Mr. KENNEDY. When did you get the loan from local 299; June 2, 1953?

Mr. BELL. I believe it was about that time.

Mr. KENNEDY. That was some 6 months after you had made the loan to Hoffa.

Mr. BELL. Yes, sir.

Mr. KENNEDY. What purpose was the \$1,000 loan?

Mr. BELL. I had just sold one house and I was buying another one. I just needed a thousand dollars.

Mr. KENNEDY. You still have some payments to make on that house?

Mr. BELL. Yes, sir.

Mr. KENNEDY. Do you have any other sources of income other than your union salary?

Mr. BELL. I have just a disability compensation.

Mr. KENNEDY. That is all?

Mr. BELL. That is all.

Mr. KENNEDY. I want to ask you, were you familiar with the fact that some Minafons were purchased by local 299?

Mr. BELL. No, sir; I am not.

Mr. KENNEDY. Have you ever heard of Minafons being used?

Mr. BELL. No, sir.

Mr. KENNEDY. You have not?

Mr. BELL. To this extent. I have heard it on television or newscasts and read it in the newspapers. Personally I don't know anything about it.

Mr. KENNEDY. You never used them yourself?

Mr. BELL. No, sir.

Mr. KENNEDY. Tell me, were you working on organizing a laundry out in Pontiac, Mich., in 1955?

Mr. BELL. No, sir.

Mr. KENNEDY. Was there a laundry out there between Pontiac and Flint, Mich., that you were trying to organize in 1955?

Mr. BELL. Not me; no, sir.

Mr. KENNEDY. You don't remember that at all?

Mr. BELL. No, sir.

Mr. KENNEDY. Did you on any of the organizational drives that you had take along Minafons with you?

Mr. BELL. No, sir.

Mr. KENNEDY. Did you ever have a Minafon in your car?

Mr. BELL. No, sir.

Mr. KENNEDY. Have you ever had a Minafon in your automobile?

Mr. BELL. No, sir.

Mr. KENNEDY. Did you ever mention to any teamster member or official that you used Minafons when you interviewed employers?

Mr. BELL. No, sir.

Mr. KENNEDY. You never did that at all?

Mr. BELL. No, sir.

Mr. KENNEDY. Did you in fact ever use a Minafon when you interviewed an employer?

Mr. BELL. No, sir.

Mr. KENNEDY. When you had difficulty with an employer, did you tell them it was a good idea to wear a Minafon?

Mr. BELL. No, sir.

Mr. KENNEDY. You never had a discussion like that?

Mr. BELL. No, sir.

Mr. KENNEDY. You never had a Minafon in your car?

Mr. BELL. Not to my knowledge; I never saw one.

Mr. KENNEDY. And Mr. Hoffa never mentioned to you the purchase of these Minafons?

Mr. BELL. No, sir.

Mr. KENNEDY. You never knew anything about it?

Mr. BELL. No, sir.

Mr. KENNEDY. And you are business agent of his local?

Mr. BELL. Yes, sir.

Mr. KENNEDY. Did you know that your local paid the money for the Minafons?

Mr. BELL. No, sir.

Mr. KENNEDY. You never knew about that?

Mr. BELL. No, sir.

Mr. KENNEDY. All right.

Senator McNAMARA. Are you a delegate from 299 to the national convention?

Mr. BELL. Yes, sir.

Senator McNAMARA. Were you nominated or elected or selected by your executive board? Are you a member of the board, incidentally?

Mr. BELL. No, sir.

Senator McNAMARA. Were you selected by the board?

Mr. BELL. Under the past practice of local 299, the executive board makes recommendations and these recommendations are given to the membership and are voted on by the membership.

Senator McNAMARA. Has it been ratified yet?

Mr. BELL. It has been.

Senator McNAMARA. You then are officially in your estimation a delegate?

Mr. BELL. Yes, sir.

Senator McNAMARA. Through that process?

Mr. BELL. Yes, sir.

Senator MUNDT. When did this happen? When did you get confirmation?

Mr. BELL. September; the first meeting in September.

Senator MUNDT. September of this year?

Mr. BELL. Yes, sir.

Senator MUNDT. And when you first nominated?

Mr. BELL. I believe it was at the executive board meeting in the first or second week in June.

Senator MUNDT. It appears in your case that you have followed the constitution of the teamsters which says you must be nominated after June and elected prior to 30 days before the convention.

Mr. BELL. Yes, sir.

Senator MUNDT. In your case, your union, that apparently was done.

Mr. BELL. Yes, sir.

Senator MUNDT. Was Mr. Hoffa elected at the same time as a delegate?

Mr. BELL. Yes, sir.

Senator MUNDT. How many delegates did your local have?

Mr. BELL. I believe we have 18. I am not positive. I believe there are 18.

Mr. KENNEDY. You had a general meeting of the membership, did you?

Mr. BELL. Yes, sir.

Mr. KENNEDY. Was that a general membership meeting or individual shop meetings?

Mr. BELL. Not shop meetings. We call separate meetings of our three divisions.

Mr. KENNEDY. Under the constitution it has to be a general membership meeting of the local, not individual shop meetings. You have not had a general membership meeting?

Mr. BELL. We have a general membership meeting of the entire division of that part of the industry.

Mr. KENNEDY. What?

Mr. BELL. We have general membership meetings of the divisions of that industry.

Mr. KENNEDY. That is not what the constitution says. It says a regular meeting of the local union. You did not have a meeting of the whole membership of the union, did you? This action of the executive board was not ratified by the whole membership of local 299 at a regular meeting?

Mr. BELL. Our regular meetings have been called for years on the same date. We have a regular call meeting the first Monday of each month for the car haul division. The second Sunday of each month we have a regular call meeting for the highway drivers division. The second Wednesday night of each month we have a regular call meeting for local cartage and dock workers and checkers. At these regular meetings the recommended delegates were confirmed.

Mr. KENNEDY. But local 299, which Mr. Hoffa represents, and which you represent, never had a membership meeting of the membership of local 299, did you, to ratify the action of the executive board?

Mr. BELL. Not to my knowledge, no.

Senator MUNDT. Did you have any competition among the delegates or members as to who were to be delegates? Or was the slate nominated by the executive board unanimously confirmed?

Mr. BELL. I think all three divisions unanimously approved the delegates selected by the executive board.

Senator MUNDT. There was nobody else running?

Mr. BELL. No, sir.

Mr. KENNEDY. When was the last meeting that you had?

Mr. BELL. We had some regular call meetings Sunday of this past week.

Mr. KENNEDY. When you approved the selection?

Mr. BELL. These were approved at the regular call meetings.

Mr. KENNEDY. Which was when?

Mr. BELL. The first Monday. We have our meetings canceled through June, July, and August. So our first regular call meeting is in September. So at the first regular call meeting is when this happened.

Mr. KENNEDY. When was it that you were approved? What were the dates?

Mr. BELL. It was the second Monday in September.

Mr. KENNEDY. The second Monday in September?

Mr. BELL. Right.

Mr. KENNEDY. That was the last one or that was the first of these three meetings?

Mr. BELL. I would have to look at a calendar to know which was the first. The first Monday being Labor Day in September.

Mr. KENNEDY. That was September 4, I believe.

Mr. BELL. That meeting was postponed until the second Monday.

Mr. KENNEDY. So that was September 11.

Mr. BELL. Yes.

Mr. KENNEDY. You say your delegates were selected on September 11?

Mr. BELL. That was the car-haul division.

Mr. KENNEDY. When were the others?

Mr. BELL. The second Wednesday of September was the same ratification.

Mr. KENNEDY. If some of the delegates were elected on September 11, even they are ineligible, according to the constitution, because that is not 30 days preceding the first day of the convention.

Mr. BELL. That has been the practice for years.

Mr. KENNEDY. That might have been the practice for years, but it is not in accordance with the constitution of the international. Would that mean that Mr. Hoffa was not a delegate to the convention?

Mr. BELL. That is the way the delegates were approved.

Mr. KENNEDY. Is that the way Mr. Hoffa was elected?

Mr. BELL. Yes, sir.

Mr. KENNEDY. Mr. Hoffa was elected at the same time and under the same procedure; is that right?

Mr. BELL. Yes.

Senator MUNDT. Then you were not selected in conformity with the constitution, as I said formerly, because you have to be elected and confirmed prior to the 30th day before the convention. September 14 or September 11 is not 30 days before the convention.

Mr. BELL. Could I confer with counsel for one moment?

Senator MUNDT. Surely.

(The witness conferred with his counsel.)

Mr. BELL. I don't know whether it is legal or not, sir, but that is the way it has been done. So it is up to the attorneys to figure that out.

Senator MUNDT. I am not trying to put you on the spot. I am thinking of Mr. Hoffa, because according to your testimony he is not legally a delegate to the convention in Miami, according to the constitution of the international teamsters, unless he was finalized in this electoral process set up by the constitution. There is not much use having a constitution unless somebody pays attention to it. The chronology of it which you have given us shows that he was finalized along with you less than 30 days before the convention. According to the constitution, he is not and you are not legally elected delegates to the convention in Miami, according to the constitution of the teamsters.

Mr. FITZGERALD. I would like to object to that question on the grounds it has no pertinency to this particular inquiry.

Senator MUNDT. Just a moment, Mr. Chairman. This particular inquiry is devoted to whether or not there are improper practices in labor unions. If violating a constitution is not improper, I do not know what is.

The CHAIRMAN. Would the Senator state the question again? I had my attention occupied at the moment.

Mr. FITZGERALD. I will withdraw the objection rather than have a discussion about it.

Senator MUNDT. It is a completely extraneous objection, Mr. Fitzgerald, and you know that, because the committee is set up to study whether or not there are improper practices in labor unions. You are telling us that violating a constitution is not improper.

Mr. FITZGERALD. I don't think Mr. Mundt has any right to characterize something as legal or illegal. It is not a question if he says something that characterizes the election of a delegate as legal or illegal.

Senator MUNDT. I have a right to say anything I want to. It may or may not suit you. I am sitting as a member of the committee. I should have said constitutional or unconstitutional, but obviously it is not constitutional when you violate the terms of the constitution written by the teamsters themselves.

Mr. FITZGERALD. May I merely state my objection that the opinion of Senator Mundt on whether something is constitutional or unconstitutional with respect to the teamsters convention or the operation of the teamsters union is not a pertinent question, and is not a pertinent inquiry, as far as this investigation is concerned. That was my objection.

The CHAIRMAN. The Chair would rule that any interrogation as to the conduct of elections to select delegates under the constitution is a proper subject matter of the inquiry of this committee. In other words, this committee, I have stated as chairman, and I think most members of the committee have agreed with me, if not all, that one of the things we are concerned about are the democratic processes of unionism, and to ascertain what practices now prevail, or any infractions of what the committee may regard at least as proper democratic processes is a subject that the committee has a right to be concerned about. All right.

Senator MUNDT. Thank you, Mr. Chairman. Quite obviously if it should be held that this committee has no concern about violation of union constitutions by union officials we might as well close up shop and go fishing. That is precisely what we are in business for, among other things.

The CHAIRMAN. I would like to go fishing, all right.

Senator MUNDT. Mr. Bell has been a very cooperative witness, and I am not trying to extract from you legal interpretations. I appreciate the fact you have been forthright and responsive to the questions to the best of your knowledge. Perhaps you can throw some light on this. This has kind of stimulated my curiosity. I just cannot quite understand this epidemic of repayments of slow debts that has hit Detroit at once as of last Thursday and Friday. Did Mr. Grosberg say anything to you about what good fortune came to Mr. Hoffa? Did he have an oil strike in North Dakota? Did his horse come in? Did he come to indicate how come the money was available after all these years?

Mr. BELL. He didn't say.

Senator MUNDT. And you were so glad you did not ask?

Mr. BELL. I didn't ask him any questions.

Senator MUNDT. All right.

Senator McNAMARA. I would like to ask the counsel a question, if I may. Is that proper?

The CHAIRMAN. You may.

Senator McNAMARA. Will there be a credentials committee at this convention, and is that the general situation, and will they rule as to whether or not the delegates are properly elected, and is that according to the constitution?

Mr. FITZGERALD. That is right. The credentials committee of the convention will make the recommendations to the convention, and the convention will then decide, if there are objections, whether or not certain delegates should or should not be seated. They may follow or may disregard the recommendations of the credentials committee.

That is the sum and substance of the whole thing.

Senator McNAMARA. And then it would be assumed that if the delegates were not properly elected it would be so ruled as improper. Does this credentials committee have the authority to seat them even though they might be technically improperly elected?

Mr. FITZGERALD. I think the credentials committee only has the authority to pass upon the credentials of the delegates. If there is an objection to them, then it goes to the convention eventually, and the convention is the sole determinative factor of who shall constitute the convention.

Senator McNAMARA. You think their authority is limited to examining the documents and seeing if they are proper; is that correct?

Mr. FITZGERALD. I think that is so, and there may be other functions that they would perform, but eventually if there is any appeal, or any objections filed to any delegates, it would go from the credentials committee to the floor of the convention itself.

Senator McNAMARA. There is that step to go through?

Mr. FITZGERALD. We have also had a few arguments in political conventions on the seating of delegates.

Senator McNAMARA. I think I have heard something about it.

Senator MUNDT. May I ask a question of Mr. Fitzgerald?

As the attorney, maybe not for the international, and I do not know, but as an attorney for the union, I think maybe you can answer this question: Does the credentials committee have authority to go beyond the constitution of the teamsters union, and do they have a

plenary authority higher than that of the constitution itself? Can they violate it if they want to?

Mr. FITZGERALD. I don't know what the authority of the credentials committee is. I have never been fortunate enough to be hired by the international union, and I wouldn't know. But I would say that the constitution would be the law and it would have to be followed by both the credentials committee and the convention itself until a new constitution is adopted.

Senator MUNDT. That would be my conclusion.

We had a colloquy a few minutes ago with one of the witnesses about the power of the local union to adopt bylaws. I would like to read article 21, section 1, of the international constitution of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers of America. It states this—

Each local union shall have the right to make such bylaws as it may deem advisable, providing they do not conflict with the laws of the international union.

So I believe my hypothesis is correct. That is that the superior constitution in all cases is that of the international organization.

Senator McNAMARA. I would not want to disagree with such distinguished counsel, but it appears to me that the national convention, being a constitutional convention, is the highest possible authority of the organization.

Mr. FITZGERALD. You mean the convention itself?

Senator McNAMARA. Yes, and I think that supersedes everything.

Mr. FITZGERALD. That supersedes everything, because the constitution is nothing more than the creature of the convention.

Senator McNAMARA. I think that you overstated it.

Mr. FITZGERALD. I didn't mean to state that. I see what you mean.

Senator MUNDT. There is no dispute. My question dealt with the credentials committee, and not the power of the convention itself.

Mr. FITZGERALD. I think the convention itself would have the right, as Senator McNamara said, eventually, if they wanted to, to override the constitution, perhaps.

Senator MUNDT. I presume that the constitution establishes the ground rules by which even the convention has to move.

Mr. FITZGERALD. Up to a point, yes.

Senator MUNDT. And the convention cannot, by a simple motion, just say "We are going to discard the constitution, and we are going to seat any delegates we want to, regardless of the convention." There must be something in the book that says this is the way you have to proceed to amend the constitution.

Mr. FITZGERALD. I have heard you say "as one country boy to another," and I am just a country boy from Detroit when it comes to this international thing.

Senator MUNDT. You do not have the farm problem in Detroit we have in other places.

Mr. FITZGERALD. You would have to get some higher authority than myself.

The CHAIRMAN. Let us move on.

I want to ask the witness one question. Can you tell us the name of the bank the cashier's check that you received in repayment was to?

Mr. BELL. I believe it was the City Bank of Detroit.

The CHAIRMAN. Do you know how the cashier's check was procured?

Mr. BELL. No, I do not.

The CHAIRMAN. You do not know whether it was procured by cash or by check on some other account?

Mr. BELL. I do not.

The CHAIRMAN. You have no information about it?

Mr. BELL. No.

The CHAIRMAN. Is there anything further?

All right, you may stand aside.

Call the next witness.

Mr. KENNEDY. Mr. Frank Fitzsimmons.

The CHAIRMAN. Will you come around, please.

Mr. KENNEDY. He will be the last witness today, Mr. Chairman.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God.

Mr. FITZSIMMONS. I do.

TESTIMONY OF FRANK E. FITZSIMMONS, ACCOMPANIED BY COUNSEL GEORGE S. FITZGERALD

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. FITZSIMMONS. My name is Frank Fitzsimmons, and I live at 1560 Burkcrest, Dearborn, Mich. I am vice president and business representative of Local Union No. 299, of Detroit, Mich.

The CHAIRMAN. All right, sir. Mr. Fitzgerald represents you, does he?

Mr. FITZSIMMONS. Yes.

The CHAIRMAN. As your counsel here?

Mr. FITZSIMMONS. Yes, sir.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Now, Mr. Fitzsimmons, you made a loan to Mr. Hoffa, did you?

Mr. FITZSIMMONS. Yes, sir; I did.

Mr. KENNEDY. How much was that loan?

Mr. FITZSIMMONS. \$2,000.

Mr. KENNEDY. When was that?

Mr. FITZSIMMONS. I think it was the first week or second week of 1953.

Mr. KENNEDY. You were in the teamsters headquarters, were you?

Mr. FITZSIMMONS. Yes, sir; I was.

Mr. KENNEDY. And Mr. Hoffa had a conversation with you?

Mr. FITZSIMMONS. Yes, he did.

Mr. KENNEDY. What did he say to you?

Mr. FITZSIMMONS. Well, to be exact, I can't recall verbatim each word, but I am quite sure the conversation went on the basis that we got discussing 1 or 2 matters, and as a result of it he finally told me that he was in a position he needed a little help. So I asked him what kind of help and he said a little financially.

I said "Jim, if there is anything I can do for you, I will help you out in any way I can."

On that basis, the discussion went on about the amount of money, and he mentioned \$2,000, and I agreed to give it to him.

The CHAIRMAN. Was it \$2,000 or \$1,000?

Mr. FITZSIMMONS. \$2,000.

Mr. KENNEDY. So he said he needed \$2,000?

Mr. FITZSIMMONS. Yes; he did.

Mr. KENNEDY. Did you go back down to the bank and get the \$2,000?

Mr. FITZSIMMONS. No.

Mr. KENNEDY. Where did you go to get your \$2,000?

Mr. FITZSIMMONS. That evening I went home, and the result of it was the next day I had the money and I brought it down to the office and I gave it to him.

Mr. KENNEDY. Do you have a bank account?

Mr. FITZSIMMONS. Yes.

Mr. KENNEDY. You happened to have kept this cash at home?

Mr. FITZSIMMONS. I usually keep cash at home.

Mr. KENNEDY. In a little box at home?

Mr. FITZSIMMONS. No, sir.

Mr. KENNEDY. Just around the house?

Mr. FITZSIMMONS. Yes.

Mr. KENNEDY. Is that right?

Mr. FITZSIMMONS. Yes, sir.

Mr. KENNEDY. And you brought that down to him the next day and gave it to him in cash?

Mr. FITZSIMMONS. Yes, sir.

Mr. KENNEDY. And he thanked you for it?

Mr. FITZSIMMONS. Yes, he did.

Mr. KENNEDY. When we discussed this out in Detroit, he had not repaid you this \$2,000.

Mr. FITZSIMMONS. No.

Mr. KENNEDY. Has he repaid you now?

Mr. FITZSIMMONS. Yes, he has.

Mr. KENNEDY. When did he repay you?

Mr. FITZSIMMONS. Last week, the latter part.

Mr. KENNEDY. What day?

Mr. FITZSIMMONS. I am quite sure it was Thursday or Friday.

Mr. KENNEDY. How did he repay you?

Mr. FITZSIMMONS. I was around the office and Mr. Grosberg came up to me, and he said he had a check in payment of my loan, a cashier's check, drawn on the City Bank. And I signed a receipt for the check.

Mr. KENNEDY. That was for the money that you allegedly gave Mr. Hoffa in 1952?

Mr. FITZSIMMONS. I did give Mr. Hoffa in 1953.

Mr. KENNEDY. \$2,000?

Mr. FITZSIMMONS. Yes, sir.

Mr. KENNEDY. Had you received any note for the \$2,000 that you had loaned Mr. Hoffa?

Mr. FITZSIMMONS. No, I didn't.

Mr. KENNEDY. Did he pay any interest on it?

Mr. FITZSIMMONS. No, he didn't.

Mr. KENNEDY. Had you ever discussed it during this 5-year period?

Mr. FITZSIMMONS. As far as discussion, no. There is a possibility we mentioned it back and forth between each other.

Mr. KENNEDY. But you never asked him for the money?

Mr. FITZSIMMONS. Not directly.

Mr. KENNEDY. Did you indirectly ask him for the money?

Mr. FITZSIMMONS. Somewhere along the line, there is a possibility that I mentioned it to him, and I can't recall that I ever asked him for it or not.

Mr. KENNEDY. Now you had made some loans yourself, borrowed some money yourself, during this 5-year period, had you not?

Mr. FITZSIMMONS. Yes, sir.

Mr. KENNEDY. At the time on August 28, 1952, you had an outstanding loan of approximately \$1,800, did you not?

Mr. FITZSIMMONS. I think that I had.

Mr. KENNEDY. That was at the same time you were giving Jimmy Hoffa \$2,000, according to your testimony?

Mr. FITZSIMMONS. Not the same time. It was 1952.

Mr. KENNEDY. Well, August 28, 1952, you borrowed \$1,830, and the balance due on that loan, on November 6, 1952, was \$1,700, and on January 7 it was \$1,694, and so you owed at least \$1,600 at the time that you were, according to your testimony, loaning \$2,000 to Jimmy Hoffa?

Mr. FITZSIMMONS. I think, Mr. Kennedy, if I may ask, you have the record, is that a financing of an automobile?

Mr. KENNEDY. Yes, I believe it is.

Mr. FITZSIMMONS. And that is a car for my son, and I signed for it and he was meeting the obligations.

Mr. KENNEDY. What is your son's name?

Mr. FITZSIMMONS. Donald.

Mr. KENNEDY. Donald Fitzsimmons?

Mr. FITZSIMMONS. Yes, sir.

Mr. KENNEDY. I would like to come back to him in a moment, but you had another loan in 1956, did you not? And you borrowed some more money?

Mr. FITZSIMMONS. I think that I also signed for his car at that time.

Mr. KENNEDY. That is \$1,400?

Mr. FITZSIMMONS. Yes, sir. And it was last year.

Mr. KENNEDY. Yes, I believe the date is August 28, 1956.

Mr. FITZSIMMONS. I think that is my wife's car.

Mr. KENNEDY. Had you borrowed any other money from January of 1953 to last Thursday?

Mr. FITZSIMMONS. Yes, I think that I borrowed some other money.

Mr. KENNEDY. Where was that?

Mr. FITZSIMMONS. I borrowed some at the City Bank.

Mr. KENNEDY. How much was that?

Mr. FITZSIMMONS. I think there was one loan for \$2,500, to help my son out in some business.

Mr. KENNEDY. What was his business?

Mr. FITZSIMMONS. Trucking business.

Mr. KENNEDY. Your son was in the trucking business?

Mr. FITZSIMMONS. Yes, sir.

Mr. KENNEDY. What was the name of the trucking company?

Mr. FITZSIMMONS. Theater Trucking Co.

Mr. KENNEDY. Which son was that?

Mr. FITZSIMMONS. Richard.

Mr. KENNEDY. That is Richard?

Mr. FITZSIMMONS. If I am not mistaken.

Mr. KENNEDY. He had some partners in that, did he?

Mr. FITZSIMMONS. No.

Mr. KENNEDY. Was that the one Mrs. Hoffa was interested in?

Mr. FITZSIMMONS. No.

Mr. KENNEDY. She never had an interest in that?

Mr. FITZSIMMONS. No. As far as my son was concerned, he was working with the people.

Mr. KENNEDY. Excuse me?

Mr. FITZSIMMONS. The one Mrs. Hoffa was concerned with, the origination of it was Mr. Staley and Mr. Murrer and Mrs. Hoffa, and Josephine Poszywak.

Mr. KENNEDY. She was in there under the name of Josephine Poszywak?

Mr. FITZSIMMONS. Originally.

Mr. KENNEDY. This was Theater Trucking?

Mr. FITZSIMMONS. Yes, sir.

Mr. KENNEDY. And then your son Richard got into it; is that right?

Mr. FITZSIMMONS. No; he didn't get into the company as such. He worked with the company.

Mr. KENNEDY. He worked for the company. Did your son Donald have an interest in it?

Mr. FITZSIMMONS. No; I don't think that Donald had an interest in it at that time.

Mr. KENNEDY. Did he ever?

Mr. FITZSIMMONS. I would have to check the records.

Mr. KENNEDY. You don't know that?

Mr. FITZSIMMONS. I don't think so.

Mr. KENNEDY. Your nephew was interested in it?

Mr. FITZSIMMONS. Yes, sir.

Mr. KENNEDY. Dale Patrick?

Mr. FITZSIMMONS. Yes, sir.

Mr. KENNEDY. So your son Richard and your nephew, Dale Patrick, and you are going to check whether your son Donald did?

Mr. FITZSIMMONS. I said so far as Richard was concerned. I don't know whether he had an interest or was employed.

Mr. KENNEDY. Was Dale Patrick in it?

Mr. FITZSIMMONS. He was.

Mr. KENNEDY. Was Mr. Holmes' son in it?

Mr. FITZSIMMONS. Mr. Holmes' son?

Mr. KENNEDY. Was Mr. Holmes' son in it?

Mr. FITZSIMMONS. No.

Mr. KENNEDY. Was any relative of Mr. Holmes interested in it?

Mr. FITZSIMMONS. Mr. Holmes brother worked for the company.

Mr. KENNEDY. His brother?

Mr. FITZSIMMONS. Yes, sir.

Mr. KENNEDY. What is Mr. Holmes' position?

Mr. FITZSIMMONS. John Holmes, that is his brother.

Mr. KENNEDY. What about Robert Holmes?

Mr. FITZSIMMONS. He is secretary treasurer of local 337.

Mr. KENNEDY. So his brother was in this company, also, is that right?

Mr. FITZSIMMONS. He was employed by the company.

Mr. KENNEDY. And you say John Staley?

Mr. FITZSIMMONS. Yes, sir.

Mr. KENNEDY. John Staley had an interest in the company?

Mr. FITZSIMMONS. Originally he had, yes, sir.

Mr. KENNEDY. What is John Staley's position? Are any of his relatives connected with the teamsters union?

Mr. FITZSIMMONS. Yes, and my brother-in-law.

Mr. KENNEDY. You had your nephew, and your brother-in-law, and a son?

Mr. FITZSIMMONS. I had, you say?

Mr. KENNEDY. Your nephew, your brother-in-law, and your son worked for the company, and your other son you are going to check and see if he had an interest in the company?

Mr. FITZSIMMONS. That is right.

Mr. KENNEDY. Did you make any loans to that company?

Mr. FITZSIMMONS. Sir?

Mr. KENNEDY. Did you make any loans to the company?

Mr. FITZSIMMONS. Not that I know of.

Mr. KENNEDY. You don't remember that?

Mr. FITZSIMMONS. No, sir.

Mr. KENNEDY. You didn't loan \$7,000 to the company?

Mr. FITZSIMMONS. No, sir.

Mr. KENNEDY. According to their schedule of their notes, loans and contracts, by certified public accountants, Arnoff & Grosberg—I believe that is the firm that keeps the books of the union, isn't that correct?

Mr. FITZSIMMONS. Yes, sir.

Mr. KENNEDY. According to them, this Theater Trucking Service owed you \$7,000 as of June 30, 1953, and you say you don't know anything about that?

Mr. FITZSIMMONS. In 1953?

Mr. KENNEDY. Yes. It says here \$7,000.

Mr. FITZSIMMONS. Now, as far as the Theater Trucking Service owing me \$7,000, I just wonder if you meant that a direct loan. I was directly responsible for them getting financing, and what the amount was I don't know, and I would have to check it.

Mr. KENNEDY. Give me the details on that, please.

Mr. FITZSIMMONS. Well, I was successful in getting them some financial aid.

Mr. KENNEDY. From where?

Mr. FITZSIMMONS. Friends of mine.

Mr. KENNEDY. Where did you get the money?

Mr. FITZSIMMONS. As I say, from friends of mine.

Mr. KENNEDY. Where? I want to know where.

Mr. FITZSIMMONS. I can't remember where I got the money right now, but I will check and let you know.

Mr. KENNEDY. According to these records, and according to your testimony, you owed them \$7,000 in 1953.

Mr. FITZSIMMONS. You say they owed me?

Mr. KENNEDY. The Theater Trucking Co. owed you \$7,000, and you say you, in turn, got that \$7,000 from someone else.

Mr. FITZSIMMONS. That is right.

Mr. KENNEDY. Who did you get it from?

Mr. FITZSIMMONS. As I say, I would have to check my records, Mr. Kennedy.

Mr. KENNEDY. You were asked to produce all of your records. You have been asked to produce your records for the last 2 weeks, and would that be contained in those records?

Mr. FITZSIMMONS. It would be contained in the records. You asked me to produce my internal revenue records.

Mr. KENNEDY. And whatever other records you had.

Mr. FITZSIMMONS. I wasn't under that impression.

Mr. KENNEDY. Do you have other records, Mr. Fitzsimmons?

Mr. FITZSIMMONS. I can check so far as the other records are concerned, and confirm this amount of money.

Mr. KENNEDY. Do you have other records that would show this money?

Mr. FITZSIMMONS. As far as records absolute to show this money, I am quite sure that I can check and find out where this money arrived from.

Mr. KENNEDY. Mr. Fitzsimmons, you must know. This is 4 years ago and you must know where you got \$7,000. Tell me this: Did the Theater Trucking Co. pay you back the \$7,000?

Mr. FITZSIMMONS. No, sir; they didn't.

Mr. KENNEDY. And then you have never paid these people, and you owe these people then \$7,000, is that right? That is this person or friend of yours who loaned you the money?

Mr. FITZSIMMONS. Well, as far as the person who owes the money, yes.

Mr. KENNEDY. Who is it? You must know whom you owe \$7,000 to.

Mr. FITZSIMMONS. May I speak to Mr. Fitzgerald a moment?

The CHAIRMAN. You can as to your legal rights, but I do not know that he could help you with this. Do you think that he could?

Mr. FITZSIMMONS. There is a possibility he could.

The CHAIRMAN. I do not believe Mr. Fitzgerald would undertake to help you other than to advise you as to your legal rights, so you may consult with him.

(The witness conferred with his counsel.)

Mr. FITZSIMMONS. What date was that?

The CHAIRMAN. It shows that on June 30, 1953, this trucking company owed you \$7,000. I do not know how long it had owed you that, or whether it has paid you, or what.

Mr. FITZSIMMONS. Well, I borrowed, I think it was, \$3,000 from the City Bank. I think that was the latter part of 1952.

Mr. KENNEDY. Well, that couldn't be part of it, because they also owed you the money back in 1951.

The CHAIRMAN. Let me ask you a question. Did you loan them \$7,000?

Mr. FITZSIMMONS. As far as the loaning them \$7,000, Mr. McClellan, I can't be sure of the amount of money.

The CHAIRMAN. Did you loan them any money?

Mr. FITZSIMMONS. I lent them some money, and I was instrumental in getting some other money from some other source.

The CHAIRMAN. Did you get any evidence of that indebtedness?

Mr. FITZSIMMONS. As far as my indebtedness was concerned, I had a note for it.

The CHAIRMAN. Where is the note now?

Mr. FITZSIMMONS. It is gone.

The CHAIRMAN. Where is it gone to?

Mr. FITZSIMMONS. I don't know where it has gone, and I just haven't got it.

The CHAIRMAN. Was it ever paid?

Mr. FITZSIMMONS. No, sir; it wasn't.

The CHAIRMAN. Did you ever get any interest on it?

Mr. FITZSIMMONS. No, sir.

The CHAIRMAN. What happened to it? You do not just throw around notes like that and never do anything about it, and you do not lose \$7,000.

Mr. FITZSIMMONS. As I say, I didn't have the note for \$7,000, and it was some other folks that did loan them some money.

The CHAIRMAN. Let us trace this \$7,000, and I am not sure where it came from. There are some sources it could come from which we would be very interested in. Where did it come from?

Will it refresh your recollection a little to suggest it was union funds?

Mr. FITZSIMMONS. No.

The CHAIRMAN. Would that not help you?

Mr. FITZSIMMONS. No, it would not.

The CHAIRMAN. Then you tell where it came from.

Are you completely stalled?

Mr. FITZSIMMONS. I am not completely stalled.

The CHAIRMAN. All right, let us move along.

Mr. FITZSIMMONS. I would like, as far as the record is concerned, if you say that some people are indebted to me for \$7,000——

The CHAIRMAN. That is what they certify, and their accountant, this same man, and this is the same man paying off these debts, is this Grosberg. Is Grosberg the same man that paid you back the \$2,000?

Mr. FITZSIMMONS. Yes, he is.

The CHAIRMAN. All right, you know him, and he certifies that here, and I guess he would not certify to anything that was not true. He certifies here in his audit of this company, that as of June 30, 1953, it owed you \$7,000. What is your explanation of it?

Mr. FITZSIMMONS. The only explanation I can make of this \$7,000 is that I told you I know that I lent them some money, and as far as I am concerned at the moment I can't say it has ever been paid back.

The CHAIRMAN. Have you ever done anything to get it back?

Mr. FITZSIMMONS. I constantly told them I wanted my money back.

The CHAIRMAN. How much did you tell them that they owed you?

Mr. FITZSIMMONS. Excuse me, please.

(The witness conferred with his counsel.)

Mr. FITZSIMMONS. Mr. Chairman, in my position, as I say, I cannot at the moment recall this entire transaction.

The CHAIRMAN. Can you recall where you got it?

Mr. FITZSIMMONS. If you will allow me to check back on this, I am quite sure——

The CHAIRMAN. I am going to allow you to check, but I am going to interrogate you now about it. Did you borrow the money from some employer, or get it from some employer with whom the union had a contract or does business?

Mr. FITZSIMMONS. No, sir; I didn't.

The CHAIRMAN. You did not get it from any employer?

Mr. FITZSIMMONS. No, sir.

The CHAIRMAN. All right. Did you get it from a bank?

Mr. FITZSIMMONS. There is a possibility I got a portion of this money from some bank.

The CHAIRMAN. Where did you get the other portion? What possibility is there about it?

Mr. FITZSIMMONS. That is the reason why I asked the Chair if I could check back on this.

The CHAIRMAN. I am going to give you a chance to check back, but I am going to interrogate you now about it.

Did you get any of it from union funds?

Mr. FITZSIMMONS. No, sir.

The CHAIRMAN. None of it from any employer?

Mr. FITZSIMMONS. No, sir.

The CHAIRMAN. Any of it from a bank?

Mr. FITZSIMMONS. A certain portion.

The CHAIRMAN. Can you estimate the portion?

Mr. FITZSIMMONS. I estimated the portion I got from the bank, if I am not mistaken, it was around \$3,000.

The CHAIRMAN. Where did you get the other \$4,000?

Mr. FITZSIMMONS. As I said, from some other sources, and I would like to check back on this whole program to find out where I got the money from.

The CHAIRMAN. Let me ask you further: Had this all escaped your mind, that they ever owed you \$7,000?

Mr. FITZSIMMONS. No, sir, it hasn't.

The CHAIRMAN. When you were first asked about it, you could not remember it, just a few moments ago. Now, you say that you were there at all times to get your money back.

Mr. FITZSIMMONS. If I said that, I said it in error, and I didn't understand exactly what you were asking.

The CHAIRMAN. You do remember it now?

Mr. FITZSIMMONS. Yes, sir.

The CHAIRMAN. You remember they still owe you?

Mr. FITZSIMMONS. Yes, sir.

The CHAIRMAN. You remember you had a note for it?

Mr. FITZSIMMONS. I think that I said that I had a note for a portion of it.

The CHAIRMAN. How much?

Mr. FITZSIMMONS. That is the \$3,000. I don't know whether it is \$3,000 or \$3,500, Senator.

The CHAIRMAN. What did you do with the note?

Mr. FITZSIMMONS. At the moment I can't find the note.

The CHAIRMAN. When did you last look for it?

Mr. FITZSIMMONS. I can't say exactly the day I looked for it as such, because I think that I can reproduce the note.

The CHAIRMAN. You think you can find the note?

Mr. FITZSIMMONS. Yes, sir.

The CHAIRMAN. Well, how often have you looked for it?

Let us move along, please. The Chair wants to be patient and considerate, but I do not know. Maybe I am mistaken, and maybe a \$7,000 loan or transaction is nothing to you, and I do not know. But I would think maybe it was worth something and that you would have some knowledge about it and could explain it.

Mr. FITZSIMMONS. As far as the situation is concerned, and if I knew this was going to be brought up at this time, I would surely——

The CHAIRMAN. How did you loan them the money? Did you give them a check?

Mr. FITZSIMMONS. At this moment I cannot say. As far as saying——

The CHAIRMAN. Did you have that much cash on hand and gave it to them out or cash?

Mr. FITZSIMMONS. Not necessarily.

The CHAIRMAN. Not necessarily?

Mr. FITZSIMMONS. No.

The CHAIRMAN. Did you or did you not, or did you give a check?

Mr. FITZSIMMONS. I gave them a check or else make a loan and cashed the loan I got, and gave them the cash.

The CHAIRMAN. You just do not remember?

Mr. FITZSIMMONS. I, at this moment, can't.

The CHAIRMAN. I believe it would be well for you to make every effort to recall about it, because I think it may become very, very important, probably pretty important to you.

Mr. FITZSIMMONS. All right, sir.

Senator MUNDT. Mr. Fitzsimmons, see if you can straighten me out on this. You loaned \$1,000 to Jim Hoffa.

The CHAIRMAN. \$2,000.

Mr. FITZSIMMONS. \$2,000.

Senator MUNDT. In what year? 1952?

Mr. FITZSIMMONS. No; 1953.

Senator MUNDT. And you testified he paid you back last Thursday?

Mr. FITZSIMMONS. That is right.

Senator MUNDT. Then you loaned another \$7,000 directly, and by being responsible for what others may have loaned to the company, and another \$7,000 to the theater company in which Mrs. Hoffa was a one-third partner; is that right?

Mr. FITZSIMMONS. Yes.

Senator MUNDT. I think you should think hard about this. This can mean that Jim Hoffa or Mrs. Hoffa owes you a third of another \$7,000, and this seems to be the time for wiping out those debts. You can go back to Mr. Grosberg and say, "How about another check, and get this third for which Hoffa's wife is responsible. I am sure a good country lawyer like Fitzgerald will agree, lawyers like to collect their fees while the tears are still on the cheeks of the clients. This seems to be the time to pay up. If you get the third that Mrs. Hoffa owes you, that is another \$2,000 or \$2,300, and it ought to be of concern to you to get it.

Mr. FITZSIMMONS. Yes, sir.

Senator MUNDT. I would look around to try to find that note.

Mr. FITZSIMMONS. All right, sir.

Senator MUNDT. Do you have some idea where to look? Have you got a safety deposit box or someplace where you put valuable papers?

Mr. FITZSIMMONS. I think I can reproduce it, Senator.

Senator MUNDT. By tomorrow?

Mr. FITZSIMMONS. No; I couldn't, because I don't have my records with me.

Senator MUNDT. You think you can reproduce it?

Mr. FITZSIMMONS. Yes, sir.

Senator MUNDT. And you are sure it has not been paid?

Mr. FITZSIMMONS. To the best of my knowledge, it has not.

Senator MUNDT. When Mr. Grosberg called you in Thursday, he didn't say here is the part Mrs. Hoffa owes you? You just got one check. You are sure of that?

Mr. FITZSIMMONS. Yes, sir.

Mr. KENNEDY. As I understand, you mentioned before about people that had given you the money in order for you to give it to Theater Trucking. You can't think of any of the people that gave you that money?

Mr. FITZSIMMONS. Mr. Kennedy, I said I was responsible for some other sources.

Mr. KENNEDY. What?

Mr. FITZSIMMONS. I think I said I was responsible for some other money being lent to the theater company.

Mr. KENNEDY. Will you tell us about that?

Mr. FITZSIMMONS. Again you are going to ask me the question. As far as I am concerned, I can't verify the fact and amount; and if I can bring that back at the same time I bring this information, I would be glad to do so.

Mr. KENNEDY. That is apart from the \$7,000?

Mr. FITZSIMMONS. No, sir.

Mr. KENNEDY. That is included in the \$7,000?

Mr. FITZSIMMONS. That is what I understand.

Mr. KENNEDY. What do you mean as you understand? Nobody knows better than you.

Mr. FITZSIMMONS. You said I owed \$7,000.

Mr. KENNEDY. Then somebody else owes you.

Mr. FITZSIMMONS. Excuse me. I am getting a little confused here. You say that Theater Trucking owes me \$7,000.

Mr. KENNEDY. That is right. You arranged for somebody to finance or put in some money in Theater Trucking; is that right?

Mr. FITZSIMMONS. I said I arranged or was responsible for some other people to lend them some money.

Mr. KENNEDY. Who were they?

Mr. FITZSIMMONS. At this time, as I say, I don't want to verify that fact, because at the moment—

Mr. KENNEDY. If you remember, tell the committee what their names were.

Mr. FITZSIMMONS. As I say, I would like to bring that back at the same time, so I can be sure of my grounds.

Mr. KENNEDY. I think, Mr. Chairman, he has the answer.

The CHAIRMAN. The question is, Do you remember now who you got that money from?

Mr. FITZSIMMONS. At the moment, Mr. McClellan, no.

The CHAIRMAN. You do not know who you got the money from to let them have \$7,000?

Mr. FITZSIMMONS. That is right.

The CHAIRMAN. Did you have any of your own money to loan at that time?

Mr. FITZSIMMONS. Not to that extent, no.

The CHAIRMAN. Not to that extent? To what extent?

Mr. FITZSIMMONS. \$7,000.

The CHAIRMAN. How much?

Mr. FITZSIMMONS. \$7,000.

The CHAIRMAN. You didn't have \$7,000 to loan at that time, did you?

Mr. FITZSIMMONS. No, sir.

The CHAIRMAN. Did you have any money to loan? Isn't it a fact you were in debt at that time?

Mr. FITZSIMMONS. Well, I——

The CHAIRMAN. Did you have a lot of money lying around the house or in the bank?

Mr. FITZSIMMONS. Not lots of it; no.

The CHAIRMAN. All right. Then you got it somehow. Will you tell this committee under oath now that you cannot recall from whom you got that money that you advanced to this company?

Mr. FITZSIMMONS. As I say, to the best of my knowledge I borrowed it somewhere from a bank. As far as the individuals are concerned, I don't think this committee, as well as myself, is interested in probabilities. I would like to have——

The CHAIRMAN. We are interested in getting the facts.

Mr. FITZSIMMONS. That is right.

The CHAIRMAN. That is what we are trying to get.

Mr. FITZSIMMONS. I am going to try to give you the facts and will give you the facts.

The CHAIRMAN. Proceed, Mr. Counsel.

Mr. KENNEDY. Mr. Chairman, I would like to point out that if you borrowed some money from some other person that you presently owe them that money, is that right? You presently owe some people some money?

Mr. FITZSIMMONS. I would like to say at this time, Mr. Kennedy, as I said before, I was responsible for——

Mr. KENNEDY. Just answer the question. Don't you owe these people the money that you got from them to give to Theater Trucking?

Mr. FITZSIMMONS. Morally I presume I have an obligation.

Mr. KENNEDY. Have they ever discussed that with you?

(No response.)

The CHAIRMAN. Have any of them that you got the money from come to you and tried to get it back? It is just as simple as that.

Mr. FITZSIMMONS. I owe different people money, and, yes, they have from time to time.

The CHAIRMAN. Then you remember who they are. Who are they?

Mr. FITZSIMMONS. No. As I said before, I owe different people some money for a period of time. To verify the fact of the individuals I am speaking of, I ask——

The CHAIRMAN. What records have you that will show it?

Mr. FITZSIMMONS. I think I can check back with the people who are involved with the loan at that time.

The CHAIRMAN. If you are going to check back with them, you know who they are. How are you going to check if you don't know them?

Mr. FITZSIMMONS. I said I could check back with Patrick and the people in the company at that time. I am quite sure I can verify the people whose money this is concerned with.

The CHAIRMAN. Would they know whom you got the money from any better than you?

Mr. FITZSIMMONS. As far as the money is from, I think they will know where and how the money was lent to them.

The CHAIRMAN. You are a State vice president, are you not, of a labor organization?

Mr. FITZSIMMONS. That is right.

The CHAIRMAN. You mean you want to leave the record as you have here this afternoon that you have transacted business as you have evidence here in the handling of this transaction?

Mr. FITZSIMMONS. As far as the evidence is concerned, Mr. McClellan, there is only one thing I can say, and I want to say it. I want to be right whenever I give you the names of people involved.

The CHAIRMAN. We want it right, too, but I declare I cannot understand this failure of memory. This is getting a little bit irritating.

All right, Mr. Counsel; proceed.

Mr. KENNEDY. Let me go on. We had a conversation and discussion with you while in Detroit, and at that time I asked you about certain testimony that had been given before the Hoffman committee regarding your activities, testimony given by Mr. Craven before the Hoffman committee that he had to make a kickback to you of 90 percent of his business of the Exhibitors' Service Co. for the period of time that you were the business agent working with the Exhibitors' Service Co., and you called a strike and drove him out of business and took over that business yourself and, together with Mrs. Hoffa and others, this new Theater Trucking Co. was formed. You denied to me at that time that you ever had any business transactions at any time with Mr. Craven. Do you want to say under oath before this committee that you never had any business transactions of any kind with Mr. Craven?

Mr. FITZSIMMONS. Of any kind of what you are referring to?

Mr. KENNEDY. Did you ever have any business transactions of any kind with Mr. Craven?

Mr. FITZSIMMONS. To the best of my knowledge and definitely what you are referring to I never had no business connections with Mr. Craven.

Mr. KENNEDY. What business transactions did you have with Mr. Craven?

Mr. FITZSIMMONS. No business transactions that I know of with Mr. Craven.

Mr. KENNEDY. Did you ever receive any money from Mr. Craven?

Mr. FITZSIMMONS. No, sir; I have never received no money from Mr. Craven.

Mr. KENNEDY. Have you ever received any checks from Mr. Craven?

Mr. FITZSIMMONS. Not that I know of.

Mr. KENNEDY. You would know?

Mr. FITZSIMMONS. I said not that I know of, Mr. Kennedy.

Mr. KENNEDY. You never went into any business transactions with Mr. Craven?

Mr. FITZSIMMONS. No, sir.

Mr. KENNEDY. Mr. Howard Craven; isn't that correct?

Mr. FITZSIMMONS. That is right.

Mr. KENNEDY. Are you familiar with his testimony before the Hoffman committee?

Mr. FITZSIMMONS. I read it in the Congressional Record.

Mr. KENNEDY. You say that testimony is false?

Mr. FITZSIMMONS. I say that testimony is false.

Mr. KENNEDY. That he had to pay to you some 90 percent of his business?

Mr. FITZSIMMONS. I could explain as far as this deal is concerned, if that is what you want to know.

Mr. KENNEDY. Did you have any dealings with him whatsoever?

Mr. FITZSIMMONS. I had no dealings with him whatsoever.

Mr. KENNEDY. You know Mr. Craven?

Mr. FITZSIMMONS. Yes, sir.

Mr. KENNEDY. And you are familiar with his testimony about the 90 percent of his business that he had to give to you?

Mr. FITZSIMMONS. As far as the testimony that he had to give me 90 percent—

Mr. KENNEDY. Is that incorrect?

Mr. FITZSIMMONS. As far as his testimony, as you say, I may be wrong in this, but as I remember that testimony, as I read it, did it definitely state that he had given me 90 percent?

Mr. KENNEDY. Did he give you any percent of his business?

Mr. FITZSIMMONS. No; he didn't.

Mr. KENNEDY. Then the 90 percent is as wrong as any percent.

Mr. FITZSIMMONS. That is right.

Mr. KENNEDY. There was never any discussion with him about giving you any of his business or percentage of his business?

Mr. FITZSIMMONS. That is right, sir.

Mr. KENNEDY. Were you present when he was having discussions with anybody else about giving any percentage of his business to that individual?

Mr. FITZSIMMONS. No; not that I remember. I think he had an arrangement with a driver.

Mr. KENNEDY. What was the driver's name?

Mr. FITZSIMMONS. A fellow by the name of John Curran.

Mr. KENNEDY. What was that arrangement?

Mr. FITZSIMMONS. That was the arrangement of where they entered into on a percentage of his business.

Mr. KENNEDY. What was Mr. Curran?

Mr. FITZSIMMONS. He was a driver.

Mr. KENNEDY. Is he in the teamsters union?

Mr. FITZSIMMONS. He was in the teamsters union at that time.

Mr. KENNEDY. What was his position in the teamsters union?

Mr. FITZSIMMONS. He was a member of the teamsters union at that time.

Mr. KENNEDY. Is he in the teamsters at the present time?

Mr. FITZSIMMONS. Not that I know of, Mr. Kennedy.

Mr. KENNEDY. And he drove for Mr. Craven?

Mr. FITZSIMMONS. Yes; he did.

Mr. KENNEDY. What was the arrangement between Mr. Curran and Mr. Craven that you knew about?

Mr. FITZSIMMONS. The understanding that I had was that Mr. Curran would get 90 percent and he would get 10 percent for the use of his trucks.

Mr. KENNEDY. Mr. Curran would?

Mr. FITZSIMMONS. That is right.

Mr. KENNEDY. Why were you brought in? Why did they tell you about that?

Mr. FITZSIMMONS. The reason why they told me about it was because as far as Mr. Curran was concerned, he was not a member of the local union I represented. He was a member of the Periodical and Newspaper Drivers, Local 372. I told him all I was interested in was to see that the wage scale and conditions was met by Mr. Craven for the man that was driving the truck.

Mr. KENNEDY. Why did they have to bring you into their business deal, that Mr. Curran, the truckdriver, was to receive 90 percent of the business, and Mr. Craven, the employer, 10 percent of the business?

Mr. FITZSIMMONS. Again I say, I don't remember being in on their business deal as such. That is what they told me. They told me that would equalize our contract.

Mr. KENNEDY. Were you present when they signed the contract for that?

Mr. FITZSIMMONS. At the moment—there is a possibility I could have been; yes.

Mr. KENNEDY. You think you might have been present when they signed the contract for Curran to receive 90 percent and Mr. Craven, the employer, to receive 10 percent of the business? They called you in?

Mr. FITZSIMMONS. There is a possibility I was there, Mr. Kennedy.

Mr. KENNEDY. In whose office was the contract signed?

Mr. FITZSIMMONS. Right at the moment I could not say for sure whether it was in Craven's office, our office, or the attorney's office.

Mr. KENNEDY. Who was the attorney?

Mr. FITZSIMMONS. I understand that Albert Mathieson drew the agreement for them.

Mr. KENNEDY. Were you present when the agreement was drawn and signed?

Mr. FITZSIMMONS. Again as I say, there is a possibility that I was there.

Mr. KENNEDY. Why were you a business agent of the teamsters going in on a business deal and be present when a business deal such as this was signed? What was the reason if you did not have an interest?

Mr. FITZSIMMONS. As I say, I don't know whether I was there. There is a possibility I was there. But my interest was to see that our wage scale was protected.

Mr. KENNEDY. How was Mr. Curran receiving 90 percent of the profits going to insure that the teamsters drivers would receive a proper wage scale?

(The witness conferred with his counsel.)

Mr. FITZGERALD. I don't like to interrupt, Mr. Kennedy, but if I may intrude, Mr. Chairman?

The CHAIRMAN. The Chair will hear you.

Mr. FITZGERALD. I don't think there is any question about Mr. Curran receiving 90 percent as Mr. Kennedy stated. I did not want the record to show that. I thought the witness testified that Mr. Curran was to receive 10 percent. Is that correct?

Mr. KENNEDY. No. Mr. Curran, the truckdriver, was to receive 90 percent, and Mr. Craven, the employer, was to receive the 10 percent.

According to Mr. Craven's testimony that money actually went to you, Mr. Fitzsimmons.

Mr. FITZGERALD. I am sorry.

The CHAIRMAN. Just to clarify this, you keep saying 90 percent. That is 90 percent of the gross receipts of the business and 10 percent?

Mr. KENNEDY. 90 percent of the total profits.

The CHAIRMAN. It is profits rather than gross receipts.

Mr. KENNEDY. 90 percent of the net profit.

The CHAIRMAN. I do not think the record showed that. Is that your understanding, 90 percent of the net profit?

Mr. FITZSIMMONS. As far as the agreement between the people is concerned, as I say, it is quite some time ago. To verify the actual figures on the basis of fact, I can't do that.

The CHAIRMAN. Is that what the contract says? That is your understanding at the time. You understood what the contract said at the time.

Mr. FITZSIMMONS. That is right.

The CHAIRMAN. Among other provisions the contract says:

A commission on the net profits as such term "net profits" is hereinafter defined and limited, earned from that portion of the business during the term of the second party's service thereat, amounting to the sum of 90 percent of all such net profits.

Was that your understanding at the time?

Mr. FITZSIMMONS. That is the agreement; that is my understanding.

The CHAIRMAN. You say it is possible you were present?

Mr. FITZSIMMONS. Sir, it would be. Again to verify my position on that, as I said, to assure the payment as far as the wages were concerned.

The CHAIRMAN. Is there anything in this contract about wages?

Mr. FITZSIMMONS. Plus the fact—

The CHAIRMAN. Is there anything in the contract about wages?

Mr. FITZSIMMONS. You read the contract. Did you read the full content?

The CHAIRMAN. No; I have not. I just asked if there is any provision in it with reference to wages?

Mr. FITZSIMMONS. I wouldn't know at this time.

The CHAIRMAN. I will have it checked and find out if there is any provision in it. I believe I can help you refresh your memory, though.

Mr. KENNEDY. It does not mention wages, Mr. Chairman.

The CHAIRMAN. I present to you a photostatic copy of the contract and ask you to look at the signatures on it and see if you identify any of those signatures.

Mr. FITZSIMMONS. Yes, sir; I identify my own.

The CHAIRMAN. You were a witness to the contract; were you not?

Mr. FITZSIMMONS. Yes, sir.

The CHAIRMAN. Does that refresh your memory?

Mr. FITZSIMMONS. Yes, sir.

The CHAIRMAN. So you were there.

Mr. FITZSIMMONS. Yes, sir.

The CHAIRMAN. You participated in the negotiation of that contract.

Mr. FITZSIMMONS. No, sir; I didn't.

The CHAIRMAN. You did not? How did you happen to be there to sign it?

Mr. FITZSIMMONS. I happened to be there to sign it, as far as I am concerned, on the basis of our previous conversations.

The CHAIRMAN. That contract may be made exhibit No. 3.

(The contract referred to was marked "Exhibit No. 3" for reference, and will be found in the appendix on p. 5723-5725.)

Mr. KENNEDY. Mr. Chairman, I might just summarize, and my summarization can be checked, Mr. Howard Craven's testimony before the Hoffman committee regarding this matter.

Mr. Fitzsimmons, you never testified before the Hoffman committee, as I understand?

Mr. FITZSIMMONS. Just a moment, please, if I may.

(The witness conferred with his counsel.)

Mr. FITZSIMMONS. No, Mr. Kennedy; I never testified before the Hoffman committee.

Mr. KENNEDY. Mr. Howard C. Craven, the owner of the Exhibitors Service Co., which delivered motion-picture film in the Detroit area, were originally in the stagecrafters union, and in 1940 were brought into the teamsters union by Frank E. Fitzsimmons. Mr. Hollis was the union steward. He originally put his own truck on and hauled the lithograph paper.

Subsequently he was approached by Fitzsimmons and Curran and offered exclusive rights of hauling lithograph paper in the Detroit area. Craven entered into a contract in the office of Mathieson in November of 1944, which lasted about 1 year, the condition being that Fitzsimmons was to receive 90 percent of the profit. One truck was involved. It was driven by Mr. John Curran. Craven was ordered to open a special account and place the money in it, and, of the fund, Fitzsimmons was to receive 90 percent. Subsequently, Fitzsimmons was dissatisfied with the total amount of money. He ordered Mr. Craven to bring the checks to the office of the accountant, Mr. Lou Rosen.

Do you know Mr. Lou Rosen?

Mr. FITZSIMMONS. Yes, sir; I do.

Mr. KENNEDY. He does some of the accounting work for the union?

Mr. FITZSIMMONS. He does my quarterly reports.

Mr. KENNEDY. Mr. Rosen ordered all the checks to be submitted. He estimated the total sum to be \$9,000 given to Mr. Fitzsimmons and the tax to be approximately \$600, which he paid. Shortly after this meeting, Craven truckers went on strike, and the settlement of the strike was so exorbitant that he was forced out of business. That is a summary of the testimony. You say you never received any money from Mr. Craven?

Mr. FITZSIMMONS. That is right.

Mr. KENNEDY. You never received any money, either directly or indirectly?

Mr. FITZSIMMONS. I never received no money on the basis of what you said, on the basis I receive 90 percent of the profits of this company.

Mr. KENNEDY. That was not the question. Did you ever receive any money, directly or indirectly, from Mr. Craven.

Mr. FITZSIMMONS. Not to the best of my knowledge.

Mr. KENNEDY. You would remember; you didn't work there, did you?

Mr. FITZSIMMONS. No, sir.

Senator MUNDT. Did you get any from Mr. Curran?

Mr. FITZSIMMONS. Mr. Curran?

Senator MUNDT. Did you get any money, directly or indirectly, from John Curran?

Mr. FITZSIMMONS. May I have a moment, please?

Senator MUNDT. Very well.

(The witness conferred with his counsel.)

Mr. FITZSIMMONS. You are speaking to me as an individual, or the local union? He pays his dues into the local union.

Senator MUNDT. I am speaking you as an individual at the moment, and of Mr. Curran as an individual.

(The witness conferred with his counsel.)

Mr. FITZSIMMONS. As far as Curran is concerned, the only money I would receive off John was if I would lend him some money and he would pay me back. As far as this other program is concerned, no, I never received no money from Curran on that program.

Senator MUNDT. Did you ever receive any money from Mr. Curran which was not in repayment of a loan that you had advanced to him?

Mr. FITZSIMMONS. No, sir; I never did, Senator.

Senator MUNDT. You are testifying that the only money you ever got from John Curran was in repayment of money which you had loaned to him?

Mr. FITZSIMMONS. That is right.

Senator MUNDT. No other money, directly or indirectly?

Mr. FITZSIMMONS. Just a moment.

(The witness conferred with his counsel.)

Mr. FITZSIMMONS. Would you clarify directly or indirectly?

Senator MUNDT. Directly would be that he handed you the money. Indirectly would mean any money he had anything to do with whatsoever. Indirectly making money available to you. There is nothing complicated about that.

Mr. FITZSIMMONS. No; there is nothing complicate about it. As far as the situation goes, no, I never got no money directly or indirectly from John Curran.

Senator MUNDT. You are not very sure of that, are you?

Mr. FITZSIMMONS. To the best of my knowledge, yes, I am sure of it.

Senator MUNDT. You were not sure enough so you could not answer it without consulting your attorney, and asking me what I meant by directly or indirectly. You lead me to believe that there must be some kind of financial arrangement between you and Curran that I have not quite put my finger on.

Mr. FITZSIMMONS. I didn't mean to lead you to believe that, Senator.

Senator MUNDT. It would be much easier for me to accept your statement if you had said, "No, I didn't get any money, directly or indirectly, or in any way, shape, or form."

Mr. FITZSIMMONS. I think I made that statement to Mr. Kennedy in Detroit.

Senator MUNDT. I would like to have it made under oath now, while we are here.

Mr. FITZSIMMONS. Yes, sir; as far as I am concerned——

Senator MUNDT. Here you are under oath. There you were not. That is why I ask you the question now.

Mr. FITZSIMMONS. I say again, to the best of my knowledge, I never received no money, directly or indirectly, from John Curran.

Senator MUNDT. Could you eliminate that qualifying phrase which vitiates your whole statement? Could you simply eliminate that "to the best of my recollection," and say categorically, "I never received any money directly or indirectly from John Curran"? Could you say that?

Mr. FITZSIMMONS. To the best of my recollection—

Senator MUNDT. It is no good. You might as well say nothing. I want you to say whatever you have to say to be fair to yourself and honest. To be convincing to me, I would like to have you eliminate that qualifying phrase if you can. If I ask you did you ever receive any money directly or indirectly from Senator Mundt, you would say no. You would not have to say "to the best of my recollection." When I ask you about John Curran, you put in a qualifying phrase through which you could drive a load of South Dakota hay.

Mr. FITZSIMMONS. The only thing I can say is previous to John Curran going to work for Craven I knew him, and after he left the employ of Craven I knew him.

Senator MUNDT. So what? I didn't ask you if you knew him. I asked you if you could say that you never received any money from him directly or indirectly without any qualification whatsoever. If you can't do it without qualification, don't do it. I am not trying to get you in trouble. If you can do it, I think it might be useful for you to say it, that is all.

Mr. FITZGERALD. May I say something? This is only by way of suggestion. As I understand it, they had a relationship before and after. I think what Mr. Fitzsimmons may be concerned with is whether relating to this Craven situation—is that what the Senator is relating to?

Senator MUNDT. Yes, that is the only thing I have information about.

Mr. FITZSIMMONS. On that basis I would say I never received any money from John Curran.

Senator MUNDT. Directly or indirectly.

Mr. FITZSIMMONS. That is right.

Mr. KENNEDY. Mr. Craven testified that Mr. Rosen reviewed his books. Did you arrange for Mr. Rosen, the union accountant, to review his books, too?

Mr. FITZSIMMONS. No, sir; I never did.

Mr. KENNEDY. Did you know that he reviewed the books?

Mr. FITZSIMMONS. No; I did not know that.

Mr. KENNEDY. Mr. Craven testified that Mr. Rosen was brought over by you to review the books because you felt you were not getting enough money out of this transaction. You say that is incorrect, also; is that right?

Mr. FITZSIMMONS. That is incorrect; yes, sir.

Mr. KENNEDY. The record shows that Mr. Rosen did review the books. Do you know why Mr. Craven would get hold of the union attorney to come over and review the books and records?

Mr. FITZSIMMONS. Mr. Rosen is not a union attorney.

Mr. KENNEDY. The union accountant.

Mr. FITZSIMMONS. I wouldn't know how he would get hold of Mr. Rosen.

Mr. KENNEDY. He is also your personal accountant?

Mr. FITZSIMMONS. He does my income-tax return.

Mr. KENNEDY. Here is Mr. Craven, who got the accountant for the union and the accountant for Mr. Fitzsimmons, his own personal accountant, and brought him over to review those books and records and you say you know nothing about it.

Mr. FITZSIMMONS. I just want to say this to you. Mr. Rosen has done my personal business only in the last 6 or 7 years.

Mr. KENNEDY. But you say you know nothing about this.

Mr. FITZSIMMONS. I know nothing about him or how he and Mr. Craven got together.

Mr. KENNEDY. You say that testimony of Mr. Craven is also incorrect?

Mr. FITZSIMMONS. I say that.

Mr. KENNEDY. And you never even knew that Mr. Rosen was reviewing the books?

Mr. FITZSIMMONS. No; I did not.

Mr. KENNEDY. He never even mentioned it to you?

Mr. FITZSIMMONS. No, sir.

The CHAIRMAN. Did I understand you to say that you never received any money from Mr. Curran directly or indirectly regarding this transaction?

Mr. FITZSIMMONS. Yes, sir.

The CHAIRMAN. Or from Mr. Craven; Craven or Curran?

Mr. FITZSIMMONS. Yes, sir.

The CHAIRMAN. You never received from either of them?

Mr. FITZSIMMONS. No, sir.

The CHAIRMAN. One name is John Curran and the other is named Howard Craven. Is that correct? These are the two parties?

Mr. FITZSIMMONS. Yes, sir.

The CHAIRMAN. I hand you a photostatic copy of a little check dated September 16, 1945, made payable to John Curran, signed on a special account by Harold C. Craven, and it appears to have some endorsements on it. The check is in the amount of \$500. Will you examine it?

Mr. FITZSIMMONS. Yes, sir.

The CHAIRMAN. See if your signature appears on it anywhere.

Mr. FITZSIMMONS. It does.

The CHAIRMAN. In what capacity?

Mr. FITZSIMMONS. As an endorsement as far as the check is concerned.

The CHAIRMAN. Whose endorsement precedes it?

Mr. FITZSIMMONS. John Curran.

The CHAIRMAN. And yours beneath his?

Mr. FITZSIMMONS. Yes, sir.

The CHAIRMAN. Who cashed the check?

Mr. FITZSIMMONS. Who cashed it?

The CHAIRMAN. Yes.

Mr. FITZSIMMONS. I presume I cashed the check.

The CHAIRMAN. I would presume so. So you did get \$500 at that time, did you not?

Mr. FITZSIMMONS. No, I wouldn't say that.

The CHAIRMAN. You cashed the check. You got \$500?

Mr. FITZSIMMONS. As far as the \$500 is concerned, I cashed the check for Curran.

The CHAIRMAN. You may have, but you got \$500?

Mr. FITZSIMMONS. Mr. McClellan, that is why I asked Senator Mundt what he meant by directly or indirectly.

The CHAIRMAN. Tell us whether that was directly or indirectly. You handled the transaction. You describe it.

Mr. FITZSIMMONS. As far as the check is concerned, to the best of my knowledge this is a check of wages. Wages is written on top of it. I presume that John Curran got this check, asked me to cash the check, and I did cash the check and, in turn, endorsed it and either deposited the check—

The CHAIRMAN. Do you recall that transaction?

Mr. FITZSIMMONS. Sir?

The CHAIRMAN. Do you recall the transaction?

Mr. FITZSIMMONS. I recall it as vivid? No, I couldn't recall this in 1945.

The CHAIRMAN. How many other checks did you cash for him in that fashion?

Mr. FITZSIMMONS. I wouldn't know. I don't think there was many, if there was any more.

The CHAIRMAN. What is the occasion for him to come to you to cash a check? Why would he not take it to the bank? It is on a bank down there?

Mr. FITZSIMMONS. Yes.

The CHAIRMAN. Why would he bring it to you to cash it?

Mr. FITZSIMMONS. I can't answer.

The CHAIRMAN. A check of that size you usually take it to a bank to get it cashed.

Mr. FITZSIMMONS. There could be circumstances surrounding some instance.

The CHAIRMAN. Do you remember the circumstance?

Mr. FITZSIMMONS. No, I can't remember the circumstance.

The CHAIRMAN. Let the check be made exhibit No. 4.

(The document referred to was marked "Exhibit No. 4" for reference and will be found in the appendix on p. 5726.)

Mr. KENNEDY. Did Mr. Hoffa ever ask you about this matter after he appeared before the Hoffman committee?

Mr. FITZSIMMONS. Not that I remember.

Mr. KENNEDY. He never even spoke to you about it?

Mr. FITZSIMMONS. No, sir.

Mr. KENNEDY. All this testimony came out before the Hoffman committee regarding this transaction, and he never spoke to you about it at all? He never questioned you about it at all, is that right?

Mr. FITZSIMMONS. That is right.

Mr. KENNEDY. He never asked you whether you got any money from Mr. Craven, is that right?

Mr. FITZSIMMONS. That is right.

Mr. KENNEDY. He was asked specifically before the Hoffman committee about this \$500 check, and he said he assumed it was wages to you. Did he ever clarify it for him?

Mr. FITZSIMMONS. Who said it?

Mr. KENNEDY. This is Mr. Hoffa, who was asked about this \$500 check. He was shown your endorsement on the back and he said the

only conclusion he could receive was some kind of wages for you. Did you ever clarify him on that matter?

Mr. FITZSIMMONS. I never read Hoffa's testimony in the Hoffman committee.

Mr. KENNEDY. It is on page 452. Did you ever clarify it for him?

Mr. FITZSIMMONS. What hearing?

Mr. KENNEDY. Hearing held at Detroit, Mich., November 23, 24, 25, 26, and 27, 1953.

Mr. FITZSIMMONS. December?

Mr. KENNEDY. November. He said he was going to look into it and have you fired if he found out you got any money. He didn't look into it, you say?

Mr. FITZSIMMONS. To the best of my knowledge, no.

Mr. KENNEDY. He never even discussed it with you?

Mr. FITZSIMMONS. I say to the best of my knowledge, no, Mr. Kennedy.

Mr. KENNEDY. I just want to ask you about a few other things. We talked about the Theater Trucking Co. Have you or your family been in any other trucking companies?

Mr. FITZSIMMONS. I think I testified my son had Trans-City Trucking Co.

Mr. KENNEDY. Which son was that?

Mr. FITZSIMMONS. Richard.

Mr. KENNEDY. Richard had Trans-City Trucking Co.? How many trucks did they have?

Mr. FITZSIMMONS. Offhand, right at the moment, I think I said 12 or 14 trucks.

Mr. KENNEDY. That company had a contract with the teamsters union?

Mr. FITZSIMMONS. Yes; it did.

Mr. KENNEDY. Which local?

Mr. FITZSIMMONS. 299.

Mr. KENNEDY. Who was the business agent that handled that contract?

Mr. FITZSIMMONS. Roland McMasters.

Mr. KENNEDY. That is the witness that is now ill?

Mr. FITZSIMMONS. That is right.

Mr. KENNEDY. Is son Richard still with that company?

Mr. FITZSIMMONS. No, sir.

Mr. KENNEDY. Where is he now?

Mr. FITZSIMMONS. He is working on the organization of the office workers.

Mr. KENNEDY. Office workers union?

Mr. FITZSIMMONS. Yes.

Mr. KENNEDY. And your son Donald was with Theater Trucking Co.?

Mr. FITZSIMMONS. That is right.

Mr. KENNEDY. Where is he now?

Mr. FITZSIMMONS. He still is there.

Mr. KENNEDY. With Theater Trucking?

Mr. FITZSIMMONS. That is right.

Mr. KENNEDY. Has he any other source of income?

Mr. FITZSIMMONS. No; not that I know of.

Mr. KENNEDY. Just with Theater Trucking Co.?

Mr. FITZSIMMONS. That is right, sir.

Mr. KENNEDY. What about you, yourself? Have you had any other source of income other than your union?

Mr. FITZSIMMONS. As I told you, in Detroit.

Mr. KENNEDY. What was that?

Mr. FITZSIMMONS. With respect to the Better Brands of Illinois.

Mr. KENNEDY. What kind of company is that?

Mr. FITZSIMMONS. A beer distributor in Chicago.

Mr. KENNEDY. What years did you work there?

Mr. FITZSIMMONS. If I am not mistaken, Mr. Kennedy, I think it was 1950. You have my internal revenue reports. It shows on there. As far as the dates are concerned, I don't want to verify the dates this moment, but they are a matter of record.

Mr. KENNEDY. I have it here for 1 year. 1953. You were there in 1953?

Mr. FITZSIMMONS. Yes, sir.

Mr. KENNEDY. What did you receive from Better Brands of Illinois as far as salary is concerned?

Mr. FITZSIMMONS. The amount?

Mr. KENNEDY. Yes.

Mr. FITZSIMMONS. I think it is there.

Mr. KENNEDY. How much was it a week or a month? How were you paid?

Mr. FITZSIMMONS. I think it was by the week.

Mr. KENNEDY. How much a week?

Mr. FITZSIMMONS. I think it was around \$75 or \$100.

Mr. KENNEDY. What services did you perform for that?

Mr. FITZSIMMONS. I consulted with them on their sales program.

Mr. KENNEDY. Where did you consult with them?

Mr. FITZSIMMONS. I consulted with them in their offices in Chicago.

Mr. KENNEDY. Are you an expert in that field?

Mr. FITZSIMMONS. I know something about sales, yes.

Mr. KENNEDY. They wanted your advice?

Mr. FITZSIMMONS. I testified before. Mr. Scobie and I were friends for quite a few years.

Mr. KENNEDY. I don't think you testified before.

Mr. FITZSIMMONS. I talked to you in Detroit.

Mr. KENNEDY. I want it under oath.

Mr. FITZSIMMONS. Mr. Scobie and I have been friends and on that basis, I have this program we had in Chicago, knowing that I was, and knew something about sales, we discussed it.

Mr. KENNEDY. So you went over there to give them advice?

Mr. FITZSIMMONS. We discussed items.

Mr. KENNEDY. At \$75 a week?

Mr. FITZSIMMONS. That is right.

Mr. KENNEDY. For how long a period of time was that? Approximately how long?

Mr. FITZSIMMONS. I think I was with Better Brands for at least 2 years; maybe longer.

Mr. KENNEDY. Can you give any other source of income?

Mr. FITZSIMMONS. No. Only the union.

Mr. KENNEDY. Only the union?

Mr. FITZSIMMONS. That is right.

Mr. KENNEDY. What is the Detroit Chef?

Mr. FITZSIMMONS. That is my wife.

Mr. KENNEDY. She works for one of the locals?

Mr. FITZSIMMONS. She did.

Mr. KENNEDY. Local 234?

Mr. FITZSIMMONS. Yes, sir.

Mr. KENNEDY. What is that?

Mr. FITZSIMMONS. Cooks and waiters.

Mr. KENNEDY. Did Mr. Hoffa know about the interest that your family had in trucking companies and your own employment by the Better Brands?

Mr. FITZSIMMONS. I think he did; yes.

Mr. KENNEDY. Do you have any interest in Film Truck Service?

Mr. FITZSIMMONS. No, sir.

Mr. KENNEDY. Does any of your family have any interest in it?

Mr. FITZSIMMONS. No, sir.

Mr. KENNEDY. Did any of them work for Film Truck Service?

Mr. FITZSIMMONS. No, sir.

Mr. KENNEDY. Did you have anything to do with the loan that the union made to Film Truck Service?

Mr. FITZSIMMONS. I sat on the board when it was O. K.'d; yes.

Mr. KENNEDY. Was that given to you for approval?

Mr. FITZSIMMONS. Sir?

Mr. KENNEDY. That was given to you for approval?

Mr. FITZGERALD. The executive board of local 299.

Mr. KENNEDY. Did they approve all loans?

Mr. FITZSIMMONS. Yes.

Mr. KENNEDY. They approved every loan that is made?

Mr. FITZSIMMONS. No. Any loans of this type as far as the loans are concerned. You are speaking now of individuals where a member comes up and wants a loan from the local union?

Mr. KENNEDY. No; we will say somebody wants a loan of \$1,000. Does that have to go through the executive board or does Mr. Hoffa approve it himself?

Mr. FITZSIMMONS. I think as far as the loans are concerned, the executive board approves some loans and Mr. Hoffa has the right to approve loans.

Mr. KENNEDY. Without submitting them to the executive board?

Mr. FITZSIMMONS. Yes.

Mr. KENNEDY. Who was it specifically from Film Truck Service that requested the loan from 299?

Mr. FITZSIMMONS. I think it was Mrs. Pike. Gladys.

Mr. KENNEDY. That was the loan of \$12,000?

Mr. FITZSIMMONS. Yes, sir.

Mr. KENNEDY. How long have you known Mrs. Pike?

Mr. FITZSIMMONS. I would say I have known Mrs. Pike 12 or 15 years.

Mr. KENNEDY. Had you recommended this loan be given Mrs. Pike?

Mr. FITZSIMMONS. On the basis of recommendation, she made application for the loan. I have handled Film drivers.

Mr. KENNEDY. You did?

Mr. FITZSIMMONS. Prior to suggesting that we would allow the loan.

Mr. KENNEDY. You never had any financial interest in that company?

Mr. FITZSIMMONS. Never.

Mr. KENNEDY. You never received any moneys?

Mr. FITZSIMMONS. Never.

Mr. KENNEDY. From her or that company?

Mr. FITZSIMMONS. Never.

Mr. KENNEDY. Mr. Chairman, Mr. Fitzsimmons will be needed later in the week in connection with some other testimony. We are through for this afternoon.

The CHAIRMAN. Mr. Fitzsimmons, you will remain under subpoena.

The subpoena will be served on the witness by the clerk to return with his records.

Senator MUNDT. I want to have in the record here another provision in the constitution and bylaws which are current in the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America. We were discussing the possible and, in my mind, the probable ineligibility of certain of the delegates to this convention in Miami, according to their own testimony, on the basis that they failed to conform to the constitutional provision, especially the provision that they must be confirmed prior to the 30 days preceding the first day of the convention. I see that article 3, subsection 6, paragraph (b) of the constitution makes the reason for that pretty clear. I would like to have it in the record. It says:

All credentials must be in the general office 30 days prior to the opening of the convention—

which is a very good and valid reason why those decisions should have been verified and finalized 30 days prior to the opening of the convention, and, in my opinion, gives conclusive evidence of the fact that these delegates selected or verified or finally confirmed by membership meetings after the deadline date of 30 days prior to the opening of the convention would be unconstitutionally selected and I would think the credentials committee operating under the constitution would find them ineligible.

The CHAIRMAN. The full section may be printed in the record at this point.

(Section 6 referred to follows:)

SEC. 6. (a) The secretary-treasurer of each local union shall, immediately after the election of delegates, forward their names to the general secretary-treasurer, who shall publish a list of delegates. Each delegate shall present his credentials, properly signed by the president and secretary-treasurer, and the seal of the local union shall be impressed thereon. He shall also present his membership card, establishing that he is a member in good standing and entitled to a seat in the convention.

(b) All credentials must be in the general office 30 days prior to the opening of the convention.

The CHAIRMAN. Mr. Fitzsimmons, you will stand by for further questions in this series of hearings.

The committee will stand in recess until 10 o'clock tomorrow.

(Whereupon, at 5:45 p. m., the committee recessed, to reconvene at 10 a. m., Wednesday, September 25, 1957.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

WEDNESDAY, SEPTEMBER 25, 1957

UNITED STATES SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D. C.

The select committee met at 10 a. m., pursuant to Senate Resolution 74, agreed to January 30, 1957, in the caucus room, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senators John L. McClellan, Democrat, Arkansas; Pat McNamara, Democrat, Michigan; Karl E. Mundt, Republican, South Dakota.

Also present: Robert F. Kennedy, chief counsel; Jerome Adlerman, chief assistant counsel; Kenneth P. O'Donnell, assistant counsel; Pierre E. G. Salinger, investigator; Carmine S. Bellino, accounting consultant; Ruth Young Watt, chief clerk.

The CHAIRMAN. The committee will be in order.

(Members present at the convening of the session: Senators McClellan and Mundt.)

The CHAIRMAN. The Chair will make this observation. Yesterday we had some 5 business agents here who testified regarding loans they had made some 5 years ago to Mr. Hoffa. The record reflects the circumstances. There are some six others, I believe, who are in the same category but in order to expedite these hearings, and because I feel it is unnecessary to have so much repetition of the same, we are not calling the other business agents who made similar loans under similar circumstances. We are not calling them at this time. Later we may. We wish to expedite these hearings and move into another matter this morning.

Counsel, call the next witness.

Mr. KENNEDY. Just before we do, we were talking about the election of delegates yesterday. We received the ballot that went out from local 239. That was Tony "Ducks" Corallo's local, which we had some interest in about a month ago. First a letter went out to the membership which is here. Then a ballot went out naming five men, Sam Goldstein, Bernard Stein, Anthony Corallo, who is Tony "Ducks," Max Sherman, and Sam Krieger. The membership were told to vote for five. They were given five names.

So Tony Ducks now is one of the delegates at the convention in Miami.

The CHAIRMAN. May I ask counsel where these documents were procured?

Mr. KENNEDY. They were procured in New York, Mr. Chairman.
The CHAIRMAN. At the proper time, we can place a witness on, and at that time we will have them verified.

Mr. KENNEDY. They were procured from a member of local 239, I believe.

The CHAIRMAN. Well, whoever procured them, we will have him testify, and then I will make them a part of the record.

Let us call the next witness.

Mr. KENNEDY. Mr. Arthur Morgan.

The CHAIRMAN. Mr. Morgan, come around, please.

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. MORGAN. I do.

TESTIMONY OF ARTHUR MORGAN

The CHAIRMAN. Mr. Morgan, state your name, your place of residence, and your business or occupation.

Mr. MORGAN. Arthur Morgan, 116 West 32d Street, Minneapolis, Minn. I am a labor representative, acting as an individual.

The CHAIRMAN. A labor representative?

Mr. MORGAN. Acting as an individual. Under the labor relations law, you are entitled to petition and win elections in your own name, which I did to take over the membership formerly in teamster local 548.

The CHAIRMAN. Were you a member of that local?

Mr. MORGAN. Yes, sir; I was.

The CHAIRMAN. Are you now a member of that local?

Mr. MORGAN. No.

The CHAIRMAN. May I ask whether you have elected to testify without counsel?

Mr. MORGAN. That is right.

The CHAIRMAN. You are entitled to counsel if you desire to have counsel present to advise you of your legal rights. Have you waived or do you desire to waive counsel and proceed?

Mr. MORGAN. Yes.

The CHAIRMAN. Thank you very much. Mr. Counsel, will you proceed?

Mr. KENNEDY. You have been in the labor union movement how long?

Mr. MORGAN. Approximately 20 years.

Mr. KENNEDY. And you were at one time associated with the teamsters in Minneapolis?

Mr. MORGAN. That is correct.

Mr. KENNEDY. Prior to that, what union had you been with?

Mr. MORGAN. I was international representative with the International Union of Electrical Workers, of which Mr. James Carey is president, and also national representative for the CIO during the time that Mr. Murray was still with us.

Mr. KENNEDY. And you were during 1955 associated with the teamsters in Minneapolis?

Mr. MORGAN. Part of 1954 and part of 1955; yes, sir.

Mr. KENNEDY. During that period of time, was Mr. Gerald Connelly associated with that local?

Mr. MORGAN. Yes, sir; he was.

Mr. KENNEDY. What position did you hold?

Mr. MORGAN. I was vice president and business agent.

Mr. KENNEDY. Of what local?

Mr. MORGAN. Local 548.

Mr. KENNEDY. What position did Mr. Connelly hold?

Mr. MORGAN. Secretary-treasurer.

Mr. KENNEDY. He was your superior?

Mr. MORGAN. That is correct.

Mr. KENNEDY. Could you tell the committee what you know about his coming into Minneapolis and taking over local 548, and what you know about his activities in Minneapolis?

Mr. MORGAN. Well, I really don't know anything about the circumstances of him coming into Minneapolis. All at once he showed up on the scene there, and I guess he had been around for quite some time before I knew him myself, but I do know that when he came in he had a charter with the Building Service Employees Union, Local 194. When he came in there were several unions transferred members to him from other unions without any consent of the members involved, or anything. Then, after the building service took his charter away from him, he was issued a charter with local 548 of the teamsters. At that time they just transferred the members from the building service local back into the teamsters without any consent of the members, or without any vote of anyone.

Mr. KENNEDY. Why did the building service union take the charter away from him?

Mr. MORGAN. I really don't know the reason except there was a lot of opposition by other building service unions in Minneapolis and St. Paul for even giving him the charter in the first place.

Mr. KENNEDY. Had you known about his involvement down in Miami with the laundry workers, and the attempted murder of a man down there?

Mr. MORGAN. I did not know about it until later when Mr. Mullenhoff of the Minneapolis Star Journal wrote articles in the paper about it. That was the first knowledge that I had of any operations or even who the man actually was.

Mr. KENNEDY. That was back in 1951, is that correct, according to the information that you received?

Mr. MORGAN. When I first knew about it, I think it was around 1953 when I saw articles in the paper about it.

Mr. KENNEDY. About his involvement in this attempted murder in Miami.

Mr. MORGAN. Yes, sir.

Mr. KENNEDY. That was in connection with his activities with the laundry workers union.

Mr. MORGAN. Yes.

Mr. KENNEDY. Now, he came in and received a charter from the teamsters. Was there an election at that time?

Mr. MORGAN. No.

Mr. KENNEDY. How was it arranged for him to take over the local?

Mr. MORGAN. Well, as far as I know, he was just given a charter, and at that time the members that he represented under the building service union automatically became members of the other union.

Mr. KENNEDY. Subsequently was there an election?

Mr. MORGAN. No.

Mr. KENNEDY. You had an election at some time, did you?

Mr. MORGAN. Not involving the members. Do you mean of union officers?

Mr. KENNEDY. Yes, the election of union officers.

Mr. MORGAN. Well, he represented the people for 2 years solely on his own before there was any election of any union officers. I was working with that union approximately 3 months prior to the time they finally had an election of officers.

Mr. KENNEDY. When did they first have the election of officers?

Mr. MORGAN. It was in July of 1954.

Mr. KENNEDY. July of 1954?

Mr. MORGAN. Yes, sir.

Mr. KENNEDY. What was the feeling of the membership toward Gerald Connelly at that time, during 1954?

Mr. MORGAN. Well the first thing from the time I became associated with that local in May of 1954 was that there was a case of fear practically, and the membership wanted to do something, and wanted to leave that union but none of them knew anything to get themselves out of it or what to do about having an election of officers. They were afraid that if they demanded anything at all, that they would lose their jobs.

Mr. KENNEDY. Had that happened at all?

Mr. MORGAN. Yes, it has.

Mr. KENNEDY. And people that opposed Connelly lost their jobs?

Mr. MORGAN. That is correct.

Mr. KENNEDY. Do you know of instances of that?

Mr. MORGAN. Yes, I do.

Mr. KENNEDY. How many instances do you know of?

Mr. MORGAN. I would say a considerable number of times.

Mr. KENNEDY. People that opposed Connelly lost their jobs and employment?

Mr. MORGAN. That is right.

Mr. KENNEDY. You say there was an election in 1954?

Mr. MORGAN. Yes.

Mr. KENNEDY. Would you tell us how that was conducted?

Mr. MORGAN. The election that was held in 1954 was against all rules of organized labor, against a violation of the teamsters constitution and everything else. It states that you have to notify the members either by notification in the shops or by advertisements in the newspapers, and this was not done. There was cards sent out to the membership calling for an election of officers and they were mailed the same day that the election took place so that the members could not get the cards until the day after the election was over with. The constitution calls for nominations the first meeting in August and election the second meeting in August, and this meeting was held in July for the election of officers and they were nominated and elected at the same time.

Mr. KENNEDY. So there were about 4 or 5 violations of the constitution in that election, is that right?

Mr. MORGAN. At least that many.

Mr. KENNEDY. How many members of the local attended the meeting?

Mr. MORGAN. I would say approximately 20.

Mr. KENNEDY. How many votes did Mr. Connolly say he received?

Mr. MORGAN. I think Mr. Connolly received 135.

Mr. KENNEDY. And there were 20 people who voted?

Mr. MORGAN. I would say approximately 20, yes.

Mr. KENNEDY. Approximately 20. And he announced the following day he received 135 votes?

Mr. MORGAN. That is correct.

Mr. KENNEDY. He continued to run the union. Could you tell the committee anything about his relationship with employers?

Mr. MORGAN. His relationship with employers is something that I practically know nothing about, because everything that he did himself was conducted in such a secret manner that I never knew anything hardly, what he was actually doing.

Mr. KENNEDY. You are familiar with some of the contracts that he signed, are you not?

Mr. MORGAN. I am.

Mr. KENNEDY. That is what I am talking about.

Mr. MORGAN. Oh, yes.

Senator MUNDT. Before we get to that, could we have a little more about the election? Did they just vote for secretary-treasurer, or did they elect a whole slate of officials?

Mr. MORGAN. I didn't hear that.

Senator MUNDT. At this election, where 20 people allegedly cast 130 some votes.

Mr. MORGAN. Yes.

Senator MUNDT. I understand Jerry Connolly was elected secretary-treasurer. Is that right?

Mr. MORGAN. That is correct.

Senator MUNDT. Did they elect a president, then, and a vice president?

Mr. MORGAN. Yes.

Senator MUNDT. Who else got elected, and what vote did they get?

Mr. MORGAN. Their votes corresponded along with the vote of Gerald Connolly.

Senator MUNDT. In other words, he had a slate of officials?

Mr. MORGAN. Yes.

Senator MUNDT. His full slate got in, is that what happened?

Mr. MORGAN. He didn't actually have a slate of people to be elected because I don't think that he knew people in the union or enough people so he could even draw up a slate if he wanted to. The people that were elected were sent down to the meeting by myself for the simple reason that although I had only been associated with Mr. Connolly for 2 months that I was already trying to figure out some way to take these people away from him and to get them out of that type of an organization. So the people that showed up down at the meeting and were nominated and elected were people from practically every shop in the union that I knew that were definitely against Connolly and were trying to do something to clean up the organization.

So the slate of officers that were elected were people that were definitely against Connolly from the start.

Later on when the union was put into trusteeship, these people were the people that acted against Mr. Connelly.

Senator MUNDT. Let me see if I can recapitulate what happened. You had an election and about 20 people attended?

Mr. MORGAN. About 20 people.

Senator MUNDT. You were 1 of the 20?

Mr. MORGAN. Yes.

Senator MUNDT. And at that election officers who were friendly to the Minneapolis laboring men and who represented them were elected to all these positions except that of secretary-treasurer?

Mr. MORGAN. That is correct.

Senator MUNDT. Connelly got elected secretary-treasurer?

Mr. MORGAN. Yes.

Senator MUNDT. How did he happen to get elected secretary-treasurer at a meeting where people who were in opposition to him got all the other offices?

Mr. MORGAN. With him present at the meeting there was no one else nominated against him.

Senator MUNDT. In other words, he so completely intimidated them that with him there nobody got up and nominated anybody against him?

Mr. MORGAN. That is right.

Senator MUNDT. In the hierarchy of local unions, is the secretary-treasurer the big guy, or is the president the big guy? Who is the top man?

Mr. MORGAN. The secretary-treasurer.

Senator MUNDT. That is the most important position?

Mr. MORGAN. Yes.

Senator MUNDT. Over a president?

Mr. MORGAN. Yes.

Senator MUNDT. Over a vice president?

Mr. MORGAN. Yes.

Senator MUNDT. Secretary-treasurer is running the show?

Mr. MORGAN. That is correct. According to the bylaws that they had in the local union, the secretary-treasurer has the right to operate the union, hire and fire his office help, business agents, or anyone that he so desires.

Senator MUNDT. And he controls the money?

Mr. MORGAN. Yes.

Senator MUNDT. I am not quite clear in my own mind how this man Connelly got from Florida to Minneapolis and became secretary-treasurer prior to this election.

Mr. MORGAN. That is something that I don't know myself, or could never understand, when a man comes in and they just hand him a charter and that is it. Then other unions transfer members to the man without any vote or anything of any kind.

Senator MUNDT. That is your theory of it. How does it happen? How can you get a man who is working for one union in Minneapolis suddenly put into another union without he himself doing anything at all? Somebody tells him he has been transferred?

Mr. MORGAN. The people themselves, the only way they even knew they were in a different union was when they sent them out union books from the teamsters instead of the retail clerks.

Senator MUNDT. In other words, they were not only in a different union; they got out of some other union into the teamsters union?

Mr. MORGAN. Yes.

Senator MUNDT. Without knowing anything about it?

Mr. MORGAN. They went out of the teamsters into the Building Service Employees Union and back into the teamsters with no votes of any kind.

Senator MUNDT. Were the dues the same and all the organization?

Mr. MORGAN. I think that they were. That was before my association with that union. That happened in 1953.

Senator MUNDT. How did you get into local 548 yourself?

Mr. MORGAN. How did I get in, myself?

Senator MUNDT. Yes.

Mr. MORGAN. To start out with, when I was working with the CIO I was away from home all of the time, so after I left the association with the CIO to return home I went to work with another teamster union. At that time, the other union was involved in a lot of strikes at different garages throughout the area around Minneapolis there, and the union became practically bankrupt after having a strike of over 9 months. At that time, I would have been without a job unless I had accepted association with 548.

Senator MUNDT. At the time you went with 548, this man Connely was secretary-treasurer?

Mr. MORGAN. He was the only officer. He was secretary-treasurer and everything else.

Senator MUNDT. Did you originally go to Mr. Connely and say, "I would like to have a job in local 548." Is that how it happened, or how did it happen?

Mr. MORGAN. No. He called me and told me he needed an assistant, and asked me if I would care to go to work for him.

Senator MUNDT. So then, initially, you were his assistant?

Mr. MORGAN. Yes.

Senator MUNDT. After 2 months of that, you discovered that he was not trying to represent the best interests of the union, that he was not a good union leader, so then you prepared a slate, or suggested some nominations and filled out the offices with people who would be honest representatives of labor?

Mr. MORGAN. That is right.

Senator MUNDT. But you could not replace him because he had intimidated the members?

Mr. MORGAN. That is right.

Senator MUNDT. How many members could have been at the meeting? How many were eligible? Twenty came. How many could have come?

Mr. MORGAN. At that time, I think there were close to 400. I would say in the neighborhood of 350 to 400.

Senator MUNDT. 350 to 400?

Mr. MORGAN. At least that; yes.

Senator MUNDT. All right.

Mr. KENNEDY. You are familiar with the contracts that Mr. Connely negotiated and signed with the employers or some of the employers around Minneapolis?

Mr. MORGAN. Yes; I am.

Mr. KENNEDY. Could you characterize a number of those contracts as "sweetheart" contracts?

Mr. MORGAN. There was one instance where one company that was formerly in another teamsters union in Minneapolis had a rate of \$1.32 an hour for their employees. That was back, I think, in 1952 or 1953 that that contract was signed. Mr. Connelly negotiated a contract with a company, after he took over, lowering the rate to \$1 an hour for the first year of employment and \$1.10 an hour thereafter.

Mr. KENNEDY. So he negotiated a contract which brought about a decrease in the wages?

Mr. MORGAN. Of 32 cents an hour.

Mr. KENNEDY. That the employees were receiving; is that right?

Mr. MORGAN. That is right. None of the employees ever took a cut in the plant, but newer help that started later on started for a lower rate of pay.

Mr. KENNEDY. You mean the former employees left the employment and new employees came in?

Mr. MORGAN. That is right.

Mr. KENNEDY. When they found that they received a cut in salaries?

Mr. MORGAN. Yes.

Mr. KENNEDY. Do you have any other instances similar to that?

Mr. MORGAN. The contract with the liquor stores they represented in Minneapolis—small liquor stores that are homeowned, practically, with just a man and wife or relations or where they have 1 employee or so—the rate of pay in them, contracts were signed in 1953 for \$65 a week. The contracts covering the big liquor stores that employ, I would say, 8 to 20 people, were signed for \$58 a week, \$7 a week less wages where he actually represented members. The other stores, why, there were people that owned their own stores and everything that were forced into the union by pickets.

Mr. KENNEDY. So what he did was that where there were larger liquor stores, he would allow them to pay their employees \$58 a week; is that right?

Mr. MORGAN. That is right.

Mr. KENNEDY. At the same time he was forcing into the union by threat of picket liquor stores which were owned and operated by one individual; is that right?

Mr. MORGAN. That is correct.

Mr. KENNEDY. And if they had maybe just 1 employee or 2 employees, those small liquor stores that had these few employees had to pay a wage scale of \$65 a week?

Mr. MORGAN. That is right.

Mr. KENNEDY. So there was an effort against the small-business man; is that right?

Mr. MORGAN. That is right.

Mr. KENNEDY. In Minneapolis.

Mr. MORGAN. Yes.

Mr. KENNEDY. Did you see any other instances where he was making any deals with employers? Could you tell us about the one liquor-store owner who was disabled?

Mr. MORGAN. There was one store, Lindale Liquor Store in Minneapolis where a disabled veteran, a legless man, was forced to join the

union. He can't even get out of a chair. He sits in a chair there and customers wait on themselves when they come in, and everything. The man is not able to hardly get around at all.

Mr. KENNEDY. He was forced to pay, as you understand, the initiation fee plus the union dues each month; is that right?

Mr. MORGAN. That is correct.

Mr. KENNEDY. And these other people that owned their own stores were likewise forced to pay an initiation fee and dues every month on themselves?

The CHAIRMAN. In other words, after you got into the union you understood to submit any contracts you made with employers to the vote of the union members for approval?

Mr. MORGAN. That is correct.

The CHAIRMAN. All right. You may proceed.

Mr. KENNEDY. Now, I want to ask you about some to these other employers. Did you hear or learn about a contract with some barrel-makers up there?

Mr. MORGAN. Yes.

Mr. KENNEDY. They had a contract with the teamsters union?

Mr. MORGAN. Yes.

Mr. KENNEDY. Were the negotiations carried on by Connelly that were to the detriment of the membership?

Mr. MORGAN. Yes; it was.

Mr. KENNEDY. Will you tell the committee about that, please?

Mr. MORGAN. That is the one I had reference to when I spoke—

Mr. KENNEDY. Spoke about the deduction?

Mr. MORGAN. Where I spoke about the one where the wages were reduced in the contract from the \$1.32 per hour to a dollar.

Mr. KENNEDY. That was the barrelmakers?

Mr. MORGAN. Yes.

The CHAIRMAN. These were owners of their own businesses?

Mr. MORGAN. That is right.

The CHAIRMAN. I would like to ask you about these contracts that you have been referring to where the wages were reduced. Were those contracts ever submitted to the union for approval?

Mr. MORGAN. Not that I ever knew of.

The CHAIRMAN. In other words, the union members had no opportunity to approve or disapprove of the contracts?

Mr. MORGAN. That is right.

The CHAIRMAN. They were not submitted to them. This man was just running it on his own.

Mr. MORGAN. That is right.

The CHAIRMAN. How many contracts were signed that way?

Mr. MORGAN. In the liquor stores I imagine there were probably around 70.

The CHAIRMAN. Seventy in the liquor stores?

Mr. MORGAN. Yes.

The CHAIRMAN. How many of the others?

Mr. MORGAN. I really don't know on the other ones prior to my association with the union, but after my association with the union practically all of the contracts from then on were submitted to the membership for votes because I handled most of the negotiations myself.

Mr. MORGAN. That is right.

Senator MUNDT. What would be the amount of the union tax that they imposed on this one-legged veteran?

Mr. KENNEDY. No legged.

Senator MUNDT. Amputee. What would be the amount of tax he had to pay the union by virtue of the fact he paid initiation fee and dues? How much did this cost him?

Mr. MORGAN. Initiation fees and dues?

Senator MUNDT. Yes.

Mr. MORGAN. Initiation fees were \$29 and \$4 a month dues.

Senator MUNDT. That cost him \$48 a year.

Mr. MORGAN. Yes.

Senator MUNDT. Plus his initiation.

Mr. MORGAN. Plus their initiation fee.

Senator MUNDT. To just have this one-man shop.

Mr. MORGAN. Yes.

Senator MUNDT. And if he had refused to do that, then they would have put pickets around him and put him out of business, is that right?

Mr. MORGAN. That is right.

The CHAIRMAN. Did they put pickets around his place?

Mr. MORGAN. Not this one man. They used a threat of pickets. That was before my association with that union. He told me that they used threats of pickets so that he had to join the union.

Mr. KENNEDY. Did you also know of an arrangement that was made whereby the employer would fire the employees every month?

Mr. MORGAN. I never actually knew that there was any agreement or anything like that, but I do know that a lot of people——

Mr. KENNEDY. Could you tell the committee the circumstances surrounding that?

Mr. MORGAN. There was a lot of of them even after——

Mr. KENNEDY. What company is this?

Mr. MORGAN. That would have been several companies. One was one of the big barrel companies. There would be people call in that they had lost their jobs and everything else, and the president of the union called Connelly on several instances and said that the people had called him and Connelly said it was being taken care of, that he had already filed a grievance on them. But people were never put back to work, or that was the last that anybody ever heard of it.

Mr. KENNEDY. Was there a great turnover in some of these companies?

Mr. MORGAN. Yes, there was.

Mr. KENNEDY. Was that true in the barrel company that you have referred to?

Mr. MORGAN. Yes, sir.

The CHAIRMAN. What was the advantage in the turnover from the union standpoint?

Mr. MORGAN. The only advantage you have, when you have a turnover, is that if people are employed for 30 days they have to join the union, and pay initiation fees.

The CHAIRMAN. It was to get the initiation fees?

Mr. MORGAN. Yes, sir.

The CHAIRMAN. Those initiation fees would go into the treasury?

Mr. MORGAN. Yes, sir; that is right.

The CHAIRMAN. You were not the treasurer, however?

Mr. MORGAN. No.

The CHAIRMAN. Connelly was the treasurer?

Mr. MORGAN. Yes, sir.

The CHAIRMAN. Do you know how they were spent?

Mr. MORGAN. No. That is one thing I don't think anybody ever knew, how it was spent, because nobody ever saw any of the books or anything to determine how they were spent. When the union was put into trusteeship, and the books were supposed to be turned over to Sidney Brennan, who was appointed trustee, the books disappeared before Mr. Brennan took over and so we actually couldn't even see how the money was spent or anything else at that time.

The CHAIRMAN. When they took it over was there any money left?

Mr. MORGAN. Very little.

Senator MUNDT. The money disappeared at the same time that the books did?

Mr. MORGAN. Yes.

The CHAIRMAN. What do you mean by "very little"?

Mr. MORGAN. At the time we took over the union, I think that there was approximately \$300 in the treasury, but there was probably \$5,000 worth of outstanding bills.

The CHAIRMAN. You had outstanding bills of \$5,000, and about \$300 in cash?

Mr. MORGAN. That is right.

The CHAIRMAN. And no records to show what had happened to the money?

Mr. MORGAN. Well, there were records, but the records were carried out by Connelly the day he received a telegram that the union had been placed in the trusteeship under Sidney Brennan.

The CHAIRMAN. He took all of the records?

Mr. MORGAN. That is right.

The CHAIRMAN. Proceed.

Senator MUNDT. During this interval, in which you accumulated \$3,000 in debts and a \$300 balance in the treasury, about what would you estimate the annual income of the union to be?

Mr. MORGAN. Well, I would say approximately between \$1,500 and \$2,000 a month.

Senator MUNDT. Between \$1,500 and \$2,000 a month?

Mr. MORGAN. Yes, sir.

Senator MUNDT. And it was that volume of money that had come under the custodianship of this man Connelly?

Mr. MORGAN. Yes.

Senator MUNDT. He spent it without reporting to anybody in the union meeting or anybody else as to how he spent it?

Mr. MORGAN. That is right.

Senator MUNDT. And as Brennan succeeded him, he destroyed the books, and the books and the money both disappeared?

Mr. MORGAN. That is right.

Senator MUNDT. Then what happened to Connelly?

Mr. MORGAN. To Connelly?

Senator MUNDT. Yes, to Connelly. What happened to Connelly? I understand he was replaced by Mr. Brennan.

Mr. MORGAN. Well, when Mr. Brennan was appointed trustee of the local, as soon as he got the telegram from President Beck, he walked up to the office and fired Connelly on the spot.

Senator MUNDT. Did he stay fired?

Mr. MORGAN. He fired him and that was in August of 1955, and the union was turned over to the members to run by Mr. Brennan and everything seemed to be coming along fine. And then the first of October of 1955, Mr. Brennan came in one morning and told me, he said, "I am going to be replaced as trustee," and I said, "How is this happening?" and he said, "Well, O'Brien from Chicago and Einar Mohn and James Hoffa were in town yesterday and demanded that I either reinstate Gerald Connelly or they would appoint a new trustee." He said, "I refused to reinstate Connelly, and so we will just have to wait and see what happens."

Senator MUNDT. What did happen?

Mr. MORGAN. About a week later, there was a telegram came in stating that Roy Williams from Kansas City had been appointed a new trustee of 548. He came in on a Monday morning and the books were turned over to him, the new books that we had made up during our time of running the union, and he immediately walked into the office that I was occupying and told me that he would have to ask for my resignation. At that time, I told him that I would refuse because I knew that I represented the members. He said, "Well, your resignation is accepted."

So that was at that time that I had been expecting things like that and I had petitions already made out, signed by the members, and about 15 shops in the local, asking that I be certified by the National Labor Relations Board under my own name to represent these people. I went through all of the elections, and I think there were 7 elections held and in most of the shops I received every vote cast, and in 1 vote, 1 shop, there was 5 people that voted for 548.

Senator MUNDT. Voted with 548?

Mr. MORGAN. Yes, sir.

Senator MUNDT. So you were elected to what? What did you become? You were elected to what?

Mr. MORGAN. I was elected to represent these people under my own name.

Senator MUNDT. In other words, they left 548 and joined what was tantamount to a new local with you as the head?

Mr. MORGAN. Yes.

Senator MUNDT. You represented them. Did they discontinue paying dues to 548?

Mr. MORGAN. Well, the minute that I filed petitions with the Labor Board, I notified all of the people in the shops not to pay any dues to 548 or anything, because according to the law until a bargaining agent was recognized and certified by the National Labor Relations Board no one had to pay dues.

Senator MUNDT. Out of the 350 members, roughly, of 548, how many left 548 and came over to your shop?

Mr. MORGAN. I actually took roughly around 140 to 180, and it depended on the seasons, I have some—

Senator MUNDT. Substantially half of them left 548 and came over to you?

Mr. MORGAN. Yes, and I didn't petition for any of the liquor stores, or a couple of other shops that had agreed that they would try to go into other unions, because they did other types of work and would have been better off.

Senator MUNDT. Now, of the ones that remained in 548, did Connelly get back into that organization in any way?

Mr. MORGAN. Yes, he went back into 548 and represented the people, or was supposed to have represented them, up until February of 1956.

Senator MUNDT. And he was brought in as a result of the pressures of Einar Mohn and Jimmy Hoffa, and you mentioned a third one.

Mr. MORGAN. Mr. O'Brien.

Senator MUNDT. They kicked out Brennan because he refused to put him in and they put in this other fellow who brought Connelly back into the labor movement?

Mr. MORGAN. That is right.

Senator MUNDT. Which was so distasteful to the workers themselves that in all of the shops where you sought their membership, you got them? You said you got all but five in the shops where you solicited. They left the other union?

Mr. MORGAN. Yes, sir.

Mr. KENNEDY. Now, Mr. Morgan, in addition to the situation that you described, Mr. Connelly was also indicted, was he not, for receiving money from an employer, during this period of time?

Mr. MORGAN. Yes.

Mr. KENNEDY. Specifically, on September 9, 1954, the case was instituted in the Federal courts against him, under the Taft-Hartley Act?

Mr. MORGAN. That is right.

Mr. KENNEDY. And he pled guilty on March 18, 1955; is that right?

Mr. MORGAN. That is right.

Mr. KENNEDY. And he was sentenced to a fine on August 4, 1955, sentenced to a fine of \$2,000?

Mr. MORGAN. Yes, sir.

Mr. KENNEDY. And he was still running this union?

Mr. MORGAN. That is right.

Mr. KENNEDY. Is that right?

Mr. MORGAN. Yes, sir.

Mr. KENNEDY. On February 5, 1955, a second case was instituted against him, is that not correct?

Mr. MORGAN. That is right.

Mr. KENNEDY. That was, again, for extortion from an employer, or receiving money from an employer?

Mr. MORGAN. Yes, sir.

Mr. KENNEDY. That was known as the Archer-Daniels-Midland case?

Mr. MORGAN. Yes, sir.

Mr. KENNEDY. And involved in that was also this Mr. Brennan, who is the vice president of the teamsters in that area?

Mr. MORGAN. Yes, sir.

(At this point, Senator McNamara entered the hearing room.)

Mr. KENNEDY. And also Mr. Eugene Williams?

Mr. MORGAN. Yes, sir.

Mr. KENNEDY. And he was a local teamster official?

Mr. MORGAN. Yes, sir.

Mr. KENNEDY. They were all indicted in connection with receiving money from an employer?

Mr. MORGAN. Yes, sir.

Mr. KENNEDY. That was on February 5, 1955?

Mr. MORGAN. Yes; it was.

Mr. KENNEDY. So, prior to the action of putting this local into trusteeship, there were the complaints of the membership. Now, the other officers had written to the international and complained about Gerald Connelly, had they not?

Mr. MORGAN. That is right.

Mr. KENNEDY. And they had set forth the facts that he had made sweetheart contracts, that he had not allowed the membership to review the books, and that he had a dictatorial control over the local?

Mr. MORGAN. That is right.

Mr. KENNEDY. And that the local should be placed in trusteeship because the membership were revolting against Gerald Connelly?

Mr. MORGAN. Yes, sir.

Mr. KENNEDY. And, in addition, he had been convicted for receiving money from an employer, and he had been indicted in connection with receiving money from another employer, is that right?

Mr. MORGAN. Yes, sir.

Mr. KENNEDY. So when you took this action and when the action was taken by Einar Mohn and Jimmy Hoffa and Vice President O'Brien, they took the action to put Gerald Connelly back in controlling the local, despite all of these facts that have been developed, is that right?

Mr. MORGAN. Yes, sir.

Mr. KENNEDY. And you and the other officers of the local notified them that all of these things were true; isn't that right?

Mr. MORGAN. That is right.

Mr. KENNEDY. You named the employers with whom the sweetheart contracts had been completed?

Mr. MORGAN. Yes, sir.

Mr. KENNEDY. And you pointed out the fact that he had taken the books, and you pointed out the fact that you had not been allowed to review the books, and pointed out all of those matters, and that there had been this close relationship between him and employers and that he had allowed no democratic procedure within the union; isn't that right?

Mr. MORGAN. That is right.

Mr. KENNEDY. Now, in addition, you described to us one election; and was there a second election in 1955?

Mr. MORGAN. Yes, sir; there was.

Mr. KENNEDY. Could you tell the committee about that election?

Mr. MORGAN. Yes.

Mr. KENNEDY. What date was that?

Mr. MORGAN. The second election, I believe, was either in June or July of 1955. There were a couple of the officers and they had complained about situations in their shops and in the local and everything, and when they complained to Connelly, Connelly told them that they were no longer officers of the union and that he had accepted

their resignations. And so he called for a new election to replace these two people.

At that time, he had two officers of another union in Minneapolis, local 918, conduct the election; and, again, at that time, he didn't notify but a couple of the shops that they were having an election; and the people came down and they elected two people to replace them that hadn't been in the union, I don't think, 2 months. He didn't care who they elected anyway, because he didn't figure on them acting as officers and the only reason he wanted officers elected was so that he could have them file non-Communist affidavits with the Labor Board.

Mr. KENNEDY. After this opposition from the officers, as well as the membership, the other officers of the local as well as the membership, he came in and told two of the officers that they were removed from their jobs and they then held an election, but the election was held by two of his colleagues in another local and run by them. The officers that were then elected were people that had only been in the union a couple of months; is that right?

Mr. MORGAN. Yes, sir; and then again at that time the people that were elected turned against Connelly and signed a petition to put the union into trusteeship. When that thing was sent in, putting the union in trusteeship, Connelly, at the hearing that they conducted in Minneapolis, stated that the petition was illegal because the two people that had signed the petition that were elected at the last election weren't officers of the union, and at that time he submitted names to the hearing officer that they had sent in including the old officers that he had replaced himself as officers.

Mr. KENNEDY. So he said that these officers for whom he had arranged elections, when they filed a petition against him, he said that they were elected illegally, is that right?

Mr. MORGAN. That is right.

Mr. KENNEDY. Or that they shouldn't be allowed to file the petition?

Mr. MORGAN. That is right, although these people signed non-Communist affidavits and things, and Connelly himself had filed them with the National Labor Relations Board.

Mr. KENNEDY. So he was stuck back in. The trustee that was appointed, then, by Mr. Hoffa and Mr. Mohn and Mr. O'Brien put a gentleman by the name of Roy Williams in?

Mr. MORGAN. That is right.

Mr. KENNEDY. Roy Williams. And he is a teamster official from Kansas City?

Mr. MORGAN. Yes, sir.

Mr. KENNEDY. That is in the Central Conference of Teamsters, is that right?

Mr. MORGAN. Yes, sir.

Mr. KENNEDY. And he came up and appointed Gerald Connelly as his representative to run the union?

Mr. MORGAN. That is right.

Mr. KENNEDY. And then Gerald Connelly continued to run the union and then he went to trial for this second extortion?

Mr. MORGAN. Yes, sir.

Mr. KENNEDY. And he was convicted on November 22, 1955?

Mr. MORGAN. Yes, sir.

Mr. KENNEDY. The court sentenced Connelly to 2 years imprisonment on March 20, 1956, and a fine of \$7,500. During this period of time he continued to run the union, is that right?

Mr. MORGAN. Yes, sir; and he continued to run the union until February of 1956, when I went into district court in the city of Minneapolis and got a restraining order from the court forbidding him to interfere with the operation of 548 or to intimate any members or anything else from then on.

Mr. KENNEDY. What date was that?

Mr. MORGAN. I believe it was signed on the 20th day of February 1956.

Mr. KENNEDY. By that time, he had already been indicted for a third offense, and that was a bombing, putting a bomb in someone's car?

Mr. MORGAN. The court in Minneapolis, Judge Hall, signed a restraining order the day after the bombing took place in Minneapolis.

Mr. KENNEDY. Now, as I understand, he placed a bomb in a man's car, and also put some dynamite under this individual's home; is that right?

Mr. MORGAN. He was convicted of having something to do with the bombing of Mr. Felicetta's car in Minneapolis but he was freed on the charge on the house.

Mr. KENNEDY. But, at that time, anyway, he had been indicted for the bombing of the house and of the car?

Mr. MORGAN. Yes, sir.

Mr. KENNEDY. Now, this gentleman in whose car he put the bomb was a teamster official himself, was he not?

Mr. MORGAN. That is right.

Mr. KENNEDY. What he was mad about, as I understand it, was that the other teamster local in Minneapolis was opposing some of his activities, and were not recognizing what he was doing, and so he thought he would put some dynamite in their cars and in the home?

Mr. MORGAN. Yes, and the other teamster officials refused to recognize his picket lines around liquor stores, and continued to deliver goods through Connelly's picket line.

The CHAIRMAN. Let me inquire. You finally had to go to court to get rid of Connelly?

Mr. MORGAN. I went to the court, and also to the National Labor Relations Board.

The CHAIRMAN. You had to go to both. You could not get any relief, and you could not get any consideration from the higher officials, the international officials, of the union?

Mr. MORGAN. None whatsoever.

The CHAIRMAN. Mr. Mohn and Mr. Hoffa and Mr. Beck, and those folks to whom you appealed, would not respond and give you any assistance in getting rid of him?

Mr. MORGAN. I would have to answer that, that Mr. Beck, himself, appointed Brennan as trustee, and Connelly was fired.

The CHAIRMAN. He only served about 3 months, and then he was removed?

Mr. MORGAN. That is right. And so the pressure from other officials forced Beck to replace Brennan as trustee, and, at that time, nobody could get any relief from anything from then on.

The CHAIRMAN. As I understand it, Beck first responded and removed him and appointed Brennan, was it?

Mr. MORGAN. That is right.

The CHAIRMAN. And Brennan served about 3 months.

Mr. MORGAN. I think it was around the 15th of August until, probably, the 20th of October. Probably a month and 1 week; 5 weeks.

The CHAIRMAN. He only served a little over a month.

Mr. MORGAN. That is right.

The CHAIRMAN. And such pressure, you think, was brought to bear on Beck that he had to relieve him as trustee?

Mr. MORGAN. Yes.

The CHAIRMAN. Then when they relieved him, they appointed Roy L. Williams?

Mr. MORGAN. Yes.

The CHAIRMAN. From Kansas City?

Mr. MORGAN. Yes.

The CHAIRMAN. And he came in, then, and reestablished Connelly as head of the union, as his representative?

Mr. MORGAN. Yes.

The CHAIRMAN. And that in spite of all these things that occurred, these convictions and the protest of these union members, everyone trying to get rid of him?

Mr. MORGAN. Yes. He also sent each of the elected officers letters notifying the rest of the officers that they no longer were officers of the union.

The CHAIRMAN. Who sent the letters?

Mr. MORGAN. Roy Williams.

The CHAIRMAN. When he became trustee, he just simply reinstated Connelly down there to run it.

Mr. MORGAN. And fired all the other union officers.

The CHAIRMAN. He was appointed by whom? Williams was appointed by whom?

Mr. MORGAN. It had to come from the international president.

The CHAIRMAN. He was appointed by the international?

Mr. MORGAN. Yes.

The CHAIRMAN. Any authority or control over him was by Mr. Hoffa. Was he not in that conference or region?

Mr. MORGAN. The only thing I can say is that all correspondence and everything had Mr. Beck's name on it.

Senator McNAMARA. How did Connelly first come into the picture? Was he appointed, or was he elected?

Mr. MORGAN. I don't know who could have elected him because when he first came into the picture he had no members.

Senator McNAMARA. Then he organized the local?

Mr. MORGAN. What?

Senator McNAMARA. Did he organize the local?

Mr. MORGAN. No; they were turned over to him by other unions.

Senator McNAMARA. Turned over to him. You mean they gave him the charter?

Mr. MORGAN. Yes.

Senator McNAMARA. Or did he have a charter from some other source?

Mr. MORGAN. To start out with, he had this charter with the building-service employees, and then the members were given him at that

time, and when he went back into the teamsters he just took them all with him.

Senator McNAMARA. You take it they were given to him by the international. They transferred some members into his union?

Mr. MORGAN. Yes.

Senator McNAMARA. In effect, they set him up.

Mr. MORGAN. Yes.

Senator McNAMARA. You say that Connelly accepted the resignation of the officers. Do you remember saying that?

Mr. MORGAN. Yes.

Senator McNAMARA. In the second election.

Mr. MORGAN. Yes.

Senator McNAMARA. Did the officers voluntarily resign, or did he just say that they resigned?

Mr. MORGAN. They have not resigned any time that I ever knew up until today.

Senator McNAMARA. They never resigned?

Mr. MORGAN. They never resigned; no.

Senator McNAMARA. You knew today they had resigned. What do you mean by that?

Mr. KENNEDY. As of today.

Mr. MORGAN. I stated that Connelly told these people that he had accepted their resignation.

Senator McNAMARA. Although they had not offered it.

Mr. MORGAN. They had not offered it.

Senator McNAMARA. How many members do you have?

Mr. MORGAN. In 548?

Senator McNAMARA. Yes.

Mr. MORGAN. In 548 there were between 350 and 400.

Senator McNAMARA. What is your relationship to the local as of now?

Mr. MORGAN. None.

Senator McNAMARA. You are completely out of it?

Mr. MORGAN. Yes.

Senator McNAMARA. Are they operating now under a teamster charter?

Mr. MORGAN. No. That is completely defunct.

Senator McNAMARA. Is the organization out of existence?

Mr. MORGAN. Yes.

Senator McNAMARA. There is no organization of these same employees?

Mr. MORGAN. No. I took half of the union away from Connelly myself, and the rest of the members into other unions. The liquor stores and a couple of the shops are still in the teamsters but under different locals.

Senator McNAMARA. You still have this half of the membership?

Mr. MORGAN. I do, yes.

Senator McNAMARA. How do you operate? Not under a teamsters charter.

Mr. MORGAN. No.

Senator McNAMARA. Do you have any charter?

Mr. MORGAN. I have a charter with the International Brotherhood of Longshoremens, AFL-CIO, although the members I represent, I

represent as an individual, and I have organized several small shops under that union.

Senator McNAMARA. Then how many members do you have now?

Mr. MORGAN. In the summertime I have around 140 and in the winter it goes up to around 180 or possibly up to 200.

Senator McNAMARA. Do you have an established wage scale?

Mr. MORGAN. Established wage scale?

Senator McNAMARA. Yes.

Mr. MORGAN. Yes. All my shops are different types of work so I have different contracts with each of the different shops.

Senator McNAMARA. Negotiated through collective bargaining.

Mr. MORGAN. That is right.

Senator McNAMARA. And you represent these employees in dealing with the employers in that industry?

Mr. MORGAN. Yes.

Senator McNAMARA. Are they mostly miscellaneous employees? Do they have any skills?

Mr. MORGAN. It is mostly practically common labor work.

Senator McNAMARA. What do the union wage scales run, from what to what?

Mr. MORGAN. They run all the way from around \$1.10 an hour up to \$2 and something. It depends on the type of operations.

Senator McNAMARA. Considerably lower than the teamsters wage scale in that area is it not?

Mr. MORGAN. Yes.

Senator McNAMARA. That is all, Mr. Chairman.

Senator MUNDT. What happened to Mr. Brennan at the time Williams came along and replaced him?

Mr. MORGAN. At the time Mr. Brennan was relieved as trustee of the union and Williams came in, he had to surrender the books and all records that he had in his possession to Williams.

Senator MUNDT. Did he drop out of the picture entirely?

Mr. MORGAN. Yes.

Senator MUNDT. I thought that counsel mentioned some place in reading from one of the documents that Connelly and Brennan had been indicted for extortion.

Mr. MORGAN. Yes. They were convicted together.

Senator MUNDT. Had they been working together in this conspiracy to extort?

Mr. MORGAN. As near as I ever knew Brennan and Connelly were bitter enemies and always had been.

Senator MUNDT. That is what I gathered from your testimony, but when I heard him say that they were indicted for extortion, I gathered the impression that they had worked together on this extortion. Maybe they were two separate cases of extortion.

Mr. MORGAN. Anything that happened on that, that was all prior to my association with the teamsters in any manner. So they might have been friendly at one time.

Senator MUNDT. In other words, they might have conspired together in extortion and some place along the line they had a falling out later.

Mr. MORGAN. It could be, yes, sir.

Senator MUNDT. Could counsel give me any information on that extortion case in which they worked together?

Mr. KENNEDY. They at one time were friendly. This is an extortion case. It is a conspiracy to extort and I think that the employer—I know that the employer paid to all three of them. They formed a fictitious company in Chicago. It was formed by Connelly's son and the money was paid by the employer to this company, and the dividends were split between the three of them.

Senator MUNDT. Someplace along the line after that they had a falling out.

Mr. KENNEDY. That is right.

Senator MUNDT. Probably they did not divide up the spoils properly. This conspiracy to extort preceded the time you have been talking about when these incidents occurred.

Mr. MORGAN. Yes.

Senator MUNDT. By that time they had become bitter enemies after having been coconspirators.

Mr. MORGAN. Yes.

Mr. KENNEDY. Do you know who paid the legal fees on this first case of Connelly, the second case of Connelly and the third case of dynamiting? Do you know who paid Mr. Connelly's legal fees during this period of time?

Mr. MORGAN. No, I don't.

Mr. KENNEDY. Mr. Chairman, I would like to call Mr. Adlerman, who has made an examination of the records, to throw some light on that.

The CHAIRMAN. All right, Mr. Adlerman. You have been previously sworn in this hearing.

Mr. ADLERMAN. Not in this hearing.

The CHAIRMAN. You do solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. ADLERMAN. I do.

TESTIMONY OF JEROME ADLERMAN

The CHAIRMAN. Be seated and proceed.

Mr. KENNEDY. Mr. Adlerman, you are a member of the staff of this committee?

Mr. ADLERMAN. Yes.

Mr. KENNEDY. You are chief assistant counsel?

Mr. ADLERMAN. Yes.

Mr. KENNEDY. Have you been working with the Senate for now some 9 or 10 years?

Mr. ADLERMAN. For the past 11 years.

Mr. KENNEDY. You have made an examination and investigation of the fees that were paid in connection with Mr.—legal fees—in connection with Mr. Connelly's activities up in Minneapolis?

Mr. ADLERMAN. I have.

Mr. KENNEDY. Would you tell the committee the total fees that you have found so far that were paid in connection with the first case of receiving money from an employer, the second case involving Connelly, Brennan, and Williams receiving money from an employer, and the third case of the dynamiting involving Mr. Connelly? How much money was paid by the union in connection with those three cases?

Mr. ADLERMAN. There are actually 4 cases, because the dynamiting

cases are divided, 1 case in Hennepin County and 1 case which was subsequently divided into 2 in Ramsey County, which is St. Paul. The total fees paid out by the unions for the defense of these four cases totaled \$54,381.55.

The CHAIRMAN. Who were those fees paid for?

Mr. ADLERMAN. They were paid mostly for the defense of Connelly, though partly it was paid out for the defense of other defendants.

The CHAIRMAN. What were they charged with?

Mr. ADLERMAN. In the first case it was a violation of the Taft-Hartley Act. The defendants in that case were Gerald Connelly and two locals. That was in the fourth division of the Federal court in Minnesota. They were charged with violation of the Taft-Hartley Act, evidently obtaining money from employers.

The CHAIRMAN. In other words, extortion.

Mr. ADLERMAN. I think it was an improper use of the money obtained from employers. It should have gone into the welfare fund and evidently did not.

The CHAIRMAN. In other words, they were taking money from employers that they had no right to receive.

Mr. ADLERMAN. I believe it was more in the nature of an improper use.

Senator MUNDT. I gather from what you said that it was improper use of the union members' money that should have gone into welfare funds for them, but which they diverted for their own purposes.

Mr. ADLERMAN. I am not quite certain, but, as I understand it, the Taft-Hartley law has a provision that the unions are not allowed to take money from an employer unless it goes into the health and welfare funds.

Mr. KENNEDY. They were receiving the money from the employer and diverting it—Connelly was diverting it to his own use.

Mr. ADLERMAN. That would be properly stated.

The second case, which is known as the Archer-Daniels-Midland case, was in the Federal Court, Fourth Division, in Minneapolis, Minn. The defendants in that case were Connelly, Brennan, Jorgenson, and Eugene Williams. That is a case, I think, which was discussed before by this witness. Again it was a conspiracy to extort money from the union.

Mr. KENNEDY. From the employer?

Mr. ADLERMAN. From the employer. I am sorry. In that case they had several counsel. The chief counsel was Mr. Edward Bennett Williams, and he received a total of \$26,953, and Mr. Elmer Ryan received \$5,000. The other attorneys apparently were not paid.

The CHAIRMAN. You mean these fees were paid out of union funds?

Mr. ADLERMAN. They were paid out of the Central Conference of Teamsters' funds.

Mr. KENNEDY. Who signed those checks, Mr. Adlerman?

Mr. ADLERMAN. That I cannot say.

Mr. KENNEDY. From your review of the records, who was responsible for forwarding these moneys to these attorneys?

Mr. ADLERMAN. I believe it probably was Mr. James Hoffa.

Senator MUNDT. Who were the attorneys in the first case? Were they the same attorneys?

Mr. ADLERMAN. Which case?

Senator MUNDT. The first case.

Mr. ADLERMAN. The first case was Mr. Irving Nemerov, for Gerald Connelly, and Mr. Thomas Kachelmacher, for the two locals. They received a \$5,000 fee from the Central Conference of Teamsters on January 21, 1955.

The CHAIRMAN. Am I correct now that you had \$54,000?

Mr. ADLERMAN. \$54,381.55.

The CHAIRMAN. Then you had another item of \$26,900.

Mr. ADLERMAN. No; that is inclusive.

The CHAIRMAN. That is what I am trying to get clear for the record—\$54,381.55.

Mr. ADLERMAN. Is the total figure. Included in that is the amount paid to Edward Bennett Williams of \$26,953.55, which may include some disbursements, I suppose.

The CHAIRMAN. You have \$26,000 to Williams and \$5,000 to the other attorneys. So that is only \$31,000.

Mr. ADLERMAN. I have the figures of what the other attorneys got.

The CHAIRMAN. As I get the significance of this, they were robbing the union in the first place, and then the union pays to defend them.

Mr. ADLERMAN. That is correct. The second case involved the conspiracy to obtain money from an employer, and the third case was a dynamiting case. As a matter of fact, they dynamited the home—that is the third and fourth case, I should say—they dynamited the home and automobile of two other teamster officials.

Mr. KENNEDY. So the union paid large sums of money to defend them in the first place when they were taking money from their own membership, and in the second instance they used union funds to defend them when Connelly put dynamite in the home and car of two teamster officials.

Mr. ADLERMAN. That is correct.

Mr. KENNEDY. The union funds were used to defend Mr. Connelly in those matters.

Mr. ADLERMAN. That is correct.

Mr. KENNEDY. This was despite the fact that Mr. Morgan and the other officials of that local had protested for a period of a year as to Mr. Connelly's activities.

Mr. ADLERMAN. I have a summary of the amount of fees to Mr. Connelly, if you would like to have them.

Mr. KENNEDY. I would like to find out on the third and fourth cases, after that dynamiting, did Mr. Hoffa make any statement as to his relationship with Mr. Connelly at that time?

Mr. ADLERMAN. He did.

Mr. KENNEDY. He made a public statement.

Mr. ADLERMAN. Yes. I have a newspaper clipping, dated May 10, 1956, "Hoffa Reads Connelly Out of Teamsters." It goes on to say that he read him out of the teamsters on Wednesday. "We have no intention of replacing Connelly in an organizational capacity in this area." He was taxed with that question, and he replied that it meant in any area.

Mr. KENNEDY. At that time he stated immediately after this bombing, and the indictment of Connelly that the union would have no more to do with Connelly.

Mr. ADLERMAN. That is right.

Mr. KENNEDY. Yet despite that fact, the union paid Mr. Connolly's legal fees in connection with the dynamiting?

Mr. ADLERMAN. Yes. I can give you a breakdown.

The CHAIRMAN. Let that paper that you have referred to there be made an exhibit No. 5 for reference.

(The document referred to was marked "Exhibit No. 5" for reference and may be found in the files of the select committee.)

Mr. ADLERMAN. The paragraph states: "Hoffa's repudiation of Connolly was in contrast to Connolly's oft-repeated claims of Hoffa's sponsorship and Hoffa's former defense of the Minneapolis Teamsters League."

The CHAIRMAN. As I understand the significance of this, notwithstanding that Hoffa made a public statement that he was not going to use Connolly any more—

Mr. ADLERMAN. That is correct.

The CHAIRMAN. He then financed his defense for the crime he committed.

Mr. ADLERMAN. That is right.

The CHAIRMAN. Out of union funds.

Mr. ADLERMAN. That is correct.

Senator McNAMARA. You indicated in what you refer to as the first case that Connolly and two local unions were the defendants.

Mr. ADLERMAN. That is right.

Senator McNAMARA. Did they name the local union?

Mr. ADLERMAN. Yes, local 548 and local 194.

Senator McNAMARA. Connolly was indicted as a representative of these two locals and no other individuals were named, is that correct?

Mr. ADLERMAN. That is right.

Mr. KENNEDY. He was indicted?

Mr. ADLERMAN. He was indicted together with two other locals.

The CHAIRMAN. I think there is something else significant there. Although the locals were indicted, Connolly was the one completely in charge and operating them. So whatever reflection there is on the locals Connolly is responsible for it.

Mr. ADLERMAN. My recollection, Senator, is that Connolly pleaded guilty on 1 count, and the other 2 counts which I believe were against the unions were probably dismissed. I am not positive about that.

The CHAIRMAN. I understand. But whatever act the unions were charged with, Connolly was responsible for them because he was operating and dominating the unions.

Mr. ADLERMAN. I believe that is true.

The CHAIRMAN. May I ask the witness?

Mr. ADLERMAN. I am sorry. The unions were also fined.

The CHAIRMAN. Mr. Morgan, is that correct?

Mr. MORGAN. Yes.

Mr. ADLERMAN. I would like to make a correction. The unions were also fined in that case, but the last two counts in the indictment were dismissed.

Mr. KENNEDY. Mr. Adlerman, what does the record show as to where these funds came from?

Mr. ADLERMAN. Which case are you referring to?

Mr. KENNEDY. Have you ever broken down as to the whole \$54,000?

Mr. ADLERMAN. Yes, I have.

Mr. KENNEDY. Did the funds all come from locals or unions of the Central Conference of Teamsters over which Mr. Hoffa has control?

Mr. ADLERMAN. A very large part of it came from the Central Conference of Teamsters itself.

Mr. KENNEDY. I am now talking about the organization of the Central Conference of Teamsters. Did this money all come from the organization of the Central Conference of Teamsters or a unit thereof?

Mr. ADLERMAN. Some came from units of it.

Mr. KENNEDY. Did it all come either from the Central Conference of Teamsters or a unit of the Central Conference of Teamsters?

Mr. ADLERMAN. I believe so.

Mr. KENNEDY. Don't you have it there?

Mr. ADLERMAN. The Central Drivers Council I think is probably part of the Central Conference of Teamsters.

Mr. KENNEDY. That is right.

Mr. ADLERMAN. The National Warehouse Division, I believe, is part of the Central Conference of Teamsters.

The CHAIRMAN. Does the witness know? Do you know about that?

Mr. ADLERMAN. I don't know as a fact.

The CHAIRMAN. Mr. Morgan, do you know definitely?

Mr. MORGAN. No.

Mr. KENNEDY. The individual signing the checks of these other organizations is Mr. Harold Gibbons.

Mr. ADLERMAN. I know he signed some of them.

Mr. KENNEDY. He is an officer of the Central Conference of Teamsters that works under Mr. Hoffa, is that correct?

Mr. ADLERMAN. Yes.

Mr. KENNEDY. Do you have some correspondence there showing that the responsibility for the moneys being paid in defense of Mr. Connelly was Mr. Gibbons' and Mr. Hoffa's?

Mr. ADLERMAN. Yes. I believe those letters are on your desk.

Mr. KENNEDY. Before you get into that, could you tell us how much was paid by the teamsters union for the defense of the third and fourth case, that bombing case, out of union funds after Mr. Hoffa made the statement that they would have nothing more to do with Mr. Connelly?

Mr. ADLERMAN. A total of \$17,428 was paid out for the defense of Connelly on the 2 dynamiting cases, of which \$500 I think is still unexpended.

Mr. KENNEDY. So some \$17,000 was paid out of union funds to defend Mr. Connelly for dynamiting a home and the cars of 2 teamster officials?

Mr. ADLERMAN. In addition to that there is an outstanding bill of \$5,000 which has not yet been paid.

Mr. KENNEDY. But \$17,000 has already been paid and there is another \$5,000 bill outstanding?

Mr. ADLERMAN. That is correct.

Mr. KENNEDY. Making a total of \$22,000 which has been charged to the union.

Mr. ADLERMAN. That is right.

Mr. KENNEDY. Now, would you give us the breakdown as to what units of the teamsters paid these sums of money?

Mr. ADLERMAN. On January 21, 1955, the Central Conference of Teamsters paid to Kachelmacher and Irving Nemerov \$25,000.

On June 28, 1955, they paid \$2,500 to Elmer Ryan, an attorney for Brennan. On June 28, 1955, they paid \$5,000 to Edward Bennett Williams, chief counsel in the Archer Daniels Midland case.

On November 7, 1955, they paid \$2,500 to Elmer Ryan. On November 28, 1955, they paid \$10,756 to Edward Bennett Williams. On June 12, 1956, he paid \$10,000 to Edward Bennett Williams or rather the Central Conference of Teamsters did.

On July 16, 1956, a check of \$1,197.55 was paid out to Edward Bennett Williams.

Mr. KENNEDY. Is this all from that one organization?

Mr. ADLERMAN. That is only as to the first two cases. The third case was treated quite differently.

Mr. KENNEDY. But the Central Conference of Teamsters paid for the first two cases?

Mr. ADLERMAN. That is right. All of the bills on the first case was paid out of the Central Conference of Teamsters.

Mr. KENNEDY. Mr. Harold Gibbons is secretary-treasurer of that organization, is he not?

Mr. ADLERMAN. I believe so.

Mr. KENNEDY. Do you not have some correspondence that indicates that Mr. Harold Gibbons was taking the responsibility for making sure that the payments were made, under the direction of Mr. Hoffa?

Mr. ADLERMAN. I don't personally have that correspondence. I do have some correspondence, I think, relating to the dynamiting case.

Mr. KENNEDY. Excuse me. It is that case.

Mr. ADLERMAN. Now, insofar as the dynamiting cases are concerned, 1 case was in Minneapolis and 1 case in St. Paul, they made a little different arrangement. I found that the Central States Drivers Council turned over to Mr. Sol Robins, or the firm of Robins, Davis & Lyons on March 12, 1952, \$5,000. On June 4, 1956, the Central States Drivers Council turned over \$5,000 to the firm of Robins, Davis & Lyons.

On June 7, 1956, the National Warehouse Division sent the firm \$5,000, and on December 6, 1956, the Central Conference of Teamsters sent \$2,428, making a total of \$17,428.

Now, this amount was sent to Mr. Robins as is indicated in the correspondence, for him to pay out on proper presentation of bills from lawyers. The idea was that the money would not be frittered away in some other way and that the lawyers fees would be paid out of it.

Mr. Robins did not defend these men, but just acted as sort of a paymaster for the union when he received these funds.

I have a breakdown here of how those fees were paid out, if you want to go into that.

The CHAIRMAN. Proceed. Do it briefly.

Mr. ADLERMAN. In the first instance, it was a Mr. Ben Dranow, who is the owner of the John H. Thomas store in Minneapolis, a large department store, came to Mr. Sidney Goff, the attorney for Connolly, and gave him a check for \$2,500.

Mr. KENNEDY. What was the purpose of that check? Mr. Dranow was what?

Mr. ADLERMAN. Mr. Goff was retained by Connelly to defend him in the St. Paul dynamiting case. Mr. Goff stated he would not take the case unless he received \$5,000 downpayment, as part of his fee.

Senator MUNDT. How did Mr. Dranow get into the act?

Mr. ADLERMAN. It is clear that Mr. Dranow was called by someone in the teamsters, and probably Hoffa, since he evidently knows Hoffa quite well, who called him up and asked him to deliver a check immediately to Mr. Goff.

Senator MUNDT. Where did Dranow get the check? Was it his own money?

Mr. ADLERMAN. It was drawn on a California bank. As to the incident of the check, we can't trace that check for this reason: The same day that he gave Mr. Goff the check he called Mr. Goff up and asked him to hold the check since he had insufficient funds, and he would come down the same day or the next day and deliver \$2,500 to him in cash.

Mr. Dranow, incidentally, was then reimbursed by Mr. Sol Robins on June 12, 1956. The interesting connection with Robins, Davis & Lyons in this case lies in the fact that they represented the union as the Michigan Conference of Teamsters on a loan of \$200,000 made to the Thomas store on June 6, 1956, and they represented the store in turn and not the union when the Central States southeast and southwest area welfare fund loaned the store \$1 million on May 24 of this year.

Senator MUNDT. Can you give us any reason, Mr. Adlerman, why the \$2,000 which apparently originated—

Mr. ADLERMAN. That is \$2,500.

Senator MUNDT. \$2,500.

Mr. ADLERMAN. Yes, sir.

Senator MUNDT. That money apparently originated out of this pool which was being collected by Robins and his firm. Why did Robins and his group not take the money over to Goff?

Mr. ADLERMAN. That was before Robins received the first check.

Senator MUNDT. I see. This was in the nature of an advance from which he was later reimbursed.

Mr. ADLERMAN. There was some urgency in getting a payment to the attorney as fast as possible, so he would represent Mr. Connelly in the dynamiting.

Senator MUNDT. Mr. Dranow is an employer?

Mr. ADLERMAN. No; he is the sole owner, I believe, or I would say probably the very large principal owner of the Thomas Department Store. He told me he is the sole owner, but I should be surprised at that.

Senator MUNDT. Is he an employer of the teamsters?

Mr. ADLERMAN. No; he bought the company about the same time that they made the loan of \$200,000. He had been employed in the company before that.

Senator MUNDT. All right.

Mr. KENNEDY. Mr. Dranow advanced a \$2,500 check to this law firm to pay for a fee in connection with the involvement of Mr. Connelly in the dynamiting?

Mr. ADLERMAN. That is right.

Mr. KENNEDY. And he asked for the check back and then gave \$2,500 in cash; is that right?

Mr. ADLERMAN. That is right.

Mr. KENNEDY. And then, subsequently, he obtained control of the Thomas Department Store?

Mr. ADLERMAN. That is right.

Mr. KENNEDY. And during the same period of time in which he obtained control of the Thomas Department Store, the teamsters loaned the Thomas Department Store \$200,000; is that right?

Mr. ADLERMAN. That is correct.

Mr. KENNEDY. What date was the loan of the \$200,000 to the Thomas Department Store?

Mr. ADLERMAN. June 6, 1956.

Mr. KENNEDY. Now, on June 6, 1956, was the Thomas Department Store on strike by the retail clerks?

Mr. ADLERMAN. Yes; they had a strike there for about 3 years prior to that continuously.

Mr. KENNEDY. So the teamsters loaned \$200,000 to the Thomas Department Store at a time that they were on strike by another union; is that right?

Mr. ADLERMAN. That is right.

Mr. KENNEDY. And the loan was negotiated by Mr. Dranow, who was the same gentleman that had advanced the money for Mr. Connelly in connection with this dynamiting case?

Mr. ADLERMAN. That is correct.

Mr. KENNEDY. And Mr. Dranow was subsequently reimbursed by the teamsters?

Mr. ADLERMAN. Yes, sir.

Mr. KENNEDY. Have you also learned that Mr. Connelly's son worked at the Thomas Department Store?

Mr. ADLERMAN. Yes. Mr. Connelly's son worked for a subsidiary of the Thomas Department Store under the name of Kelly.

Mr. KENNEDY. He took an assumed name; is that right?

Mr. ADLERMAN. That is correct.

Mr. KENNEDY. He did not use his own name?

Mr. ADLERMAN. He did not use his own name.

Mr. KENNEDY. And he worked under the name of "Kelly" for Dranow in the Thomas Department Store?

Mr. ADLERMAN. With the full knowledge of Dranow, that he was using the name "Kelly" as a fictitious name.

Senator MUNDT. When you say he "worked," you mean he was one of the employees who went on strike or that he was in a managerial echelon?

Mr. ADLERMAN. I do not know in what position he had.

Senator MUNDT. Now, let me finish my question before you answer it. When you say he "worked" there, was he working as one of the retail clerks, who was on strike, or was he working in a managerial position?

Mr. ADLERMAN. I believe he was working on the managerial side of the company.

Senator MUNDT. Then it would appear to me—is this a correct analysis of what actually happened—that the teamsters loaned money to the Dranow interests to help them break the strike imposed upon them by another union?

Mr. ADLERMAN. I don't know whether that was the essential purpose.

Senator MUNDT. It would work out to that end. The department store had been on strike for several months and it was in financial straits. In order for them to continue operations under those conditions they needed money; so they go to one union to get financed to strengthen their hands so that they can resist the strike imposed by another union.

Mr. ADLERMAN. I think it played a part.

Senator MUNDT. It would look like a strikebreaker's loan to me.

Senator McNAMARA. You indicate in your testimony that Dranow obtained control of the Thomas Co. How did he obtain control? By purchase or by muscle, or what is the story?

Mr. ADLERMAN. As I get it, Senator, and it is a very difficult thing to get any facts from Mr. Dranow, I can tell you that—

The CHAIRMAN. Is he the one in the hospital?

Mr. ADLERMAN. He went into the hospital on, I believe, Thursday or Friday night.

Mr. KENNEDY. That was after you had interviewed him?

Mr. ADLERMAN. After I had interviewed him and after I served with him a subpoena to appear here. My examination of the records disclosed, Senator, that he had an option to purchase 25 percent of the stock in the company, supposedly at the price of \$75,000, which was to come out of a profit-sharing scheme with the owner of the company, Mr. Yalomstein. He claimed at first that he did pay the \$75,000 in my interview with him, and he finally admitted that he never paid a cent for that. Then, just prior, and sort of a condition to the loan, he made an arrangement to purchase about 58,000 shares of stock from Mr. Yalomstein. The consideration was \$15,714. In addition, he guaranteed to Mr. Yalomstein a yearly salary of \$25,000 for 10 years if Mr. Yalomstein lived that long. I think Mr. Yalomstein is a very elderly man, in the neighborhood of about 78 years. In the event that Yalomstein died, he was to pay his wife for a period of no longer than 5 years, unless that 5 years had already elapsed. So that he got the assets of the company for practically a payment of \$13,000, or say \$14,000, and a contract to pay the former owner out of the store's income. This took place simultaneously with the granting of the \$200,000 loan.

Senator McNAMARA. It was all around June 6?

Mr. ADLERMAN. I believe so, and I would like to verify that date, if I can.

Senator McNAMARA. While you are looking that up, was this \$1 million loan made by the Central Conference of Teamsters?

Mr. ADLERMAN. The \$1 million loan was made by the Central States Southeast-Southeast Area Welfare Fund.

Senator McNAMARA. They made a loan of \$1 million on this business that the man acquired for \$13,714?

Mr. ADLERMAN. That is right.

Mr. KENNEDY. Now, Mr. Dranow has even a more active role in this matter, does he not, Mr. Adlerman?

Mr. ADLERMAN. Yes; he does.

Mr. KENNEDY. And his relationship with Mr. Connelly and Mr. Hoffa?

Mr. ADLERMAN. Yes.

Mr. KENNEDY. Could you tell us, specifically in connection with the dynamiting, where was Mr. Connelly, from your review of the

records, during the period prior to the dynamiting and subsequent to the dynamiting?

Mr. ADLERMAN. As I understand it——

Mr. KENNEDY. Have you reviewed the records, and so you know?

Mr. ADLERMAN. That is right.

The CHAIRMAN. What records? Let us get it straight.

Mr. ADLERMAN. I have the airplane tickets showing the travel, and I have some hotel records, and I have also examined the criminal-court records and the records in the police department in Minneapolis and also the county courts' office and the county attorney's office.

Mr. KENNEDY. What was the date of the dynamiting?

Mr. ADLERMAN. The date of the dynamiting was the night of the 10th of February 1936, and the morning of the 11th. That is a. m., and p. m., of the 10th and 11th.

Mr. KENNEDY. Where was Mr. Connelly on that night?

Mr. ADLERMAN. Mr. Connelly left Minneapolis and went to Miami on February 6, 1936, and stayed at the Waves Hotel.

Mr. KENNEDY. Who did he leave Minneapolis with?

Mr. ADLERMAN. He left alone. Two days later, Mr. Dranow flew down, on February 8, 1936, and he registered, also, at the Waves Hotel.

Mr. KENNEDY. What room number did Mr. Connelly have?

Mr. ADLERMAN. Mr. Connelly occupied room No. 301.

Mr. KENNEDY. And what room number did Mr. Dranow have?

Mr. ADLERMAN. I believe 303, but I am not too certain. I can make certain.

Mr. KENNEDY. It is room 303, according to the records.

The CHAIRMAN. Those are adjoining rooms?

Mr. ADLERMAN. I believe they are, Senator.

Mr. Dranow occupied room 303, and Mr. Connelly occupied room 301.

This is the air-travel ticket of Mr. Connelly showing he left Minneapolis to go to Miami on February 6.

The CHAIRMAN. That may be made exhibit No. 6.

(The document referred to was marked "Exhibit No. 6," for reference and will be found in the appendix on p. 5727.)

Mr. ADLERMAN. I have the air-travel ticket of Mr. Dranow showing that he left Minneapolis on February 8 and flew to Miami.

The CHAIRMAN. That will be made exhibit No. 7.

(The document referred to was marked "Exhibit No. 7," for reference and will be found in the appendix on p. 5728.)

Mr. KENNEDY. Now, Mr. Adlerman, Mr. Connelly had hired two individuals up in Minneapolis to do the dynamiting for him?

Mr. ADLERMAN. Yes, sir; as a matter of fact, there were three individuals. There was a Mr. Bryan Flick, a Mr. Reddin, and a Mr. Lattin.

The CHAIRMAN. Were they convicted?

Mr. ADLERMAN. Mr. Flick was convicted, and Mr. Connelly was convicted, and the plan for the dynamiting took place prior to Mr. Connelly going down to Miami, and the details of it were discussed over the telephone before and after the dynamiting took place.

Senator MUNDT. How much were they paid for the dynamiting?

Mr. ADLERMAN. I don't know that, Senator.

Mr. KENNEDY. Don't they state what they were going to get was a charter for a union?

Mr. ADLERMAN. Mr. Flick, Bryan Flick, came to Connelly with the idea of getting a charter for a hairdressers union. He had tried to get a charter from other union officials, and he had no success. Connelly promised that he would help them, but he told him in the meantime, "Suppose you work for me as an organizer." Part of his organizing activities was strong-arm tactics, and when they had trouble organizing the liquor stores, the 2 unions, 1 in St. Paul, and 1 in Minneapolis, the beverage drivers union refused to recognize the picket line established by Connelly and Flick. This is Mr. Wagner and Mr. Tony Felicetta, and those were the two men whose houses and autos were bombed.

Mr. KENNEDY. Mr. Flick, according to his statement, was expecting to get through Mr. Connelly a union charter.

Mr. ADLERMAN. That is right, and as I understand it he had called up Connelly while he was at the Waves Hotel in Miami before and after the bombing took place, and discussed with him at that time getting the charter for the hairdressers' union.

Mr. KENNEDY. And also they had to determine their plans as to whether they would use dynamite or whether they would use brass knuckles; is that right?

Mr. ADLERMAN. As Mr. Flick told me, he said prior to the time that Connelly went down, they had planned to take some drastic action against Felicetta and Wagner. The means that they were going to use were uncertain and they had discussed dynamiting with Connelly and he had discussed it with a Mr. Hyde, who was a licensed dynamite man who was supposed to help them as to the qualities of dynamite and whether it was blast or 1 stick or 2 sticks, and so forth.

They also discussed the possibility of using a shotgun blast into a car, or using a brass-knuckle job on Felicetta.

Senator MUNDT. Let me ask you this: From what you know of the case, was murder contemplated or was it simply to frighten them?

Mr. ADLERMAN. I don't believe murder was contemplated. They used only one stick of dynamite in the car and they used only one stick of dynamite against the house, and I think it was more of a terrorizing scheme than anything else.

Senator MUNDT. When you talked about a shotgun blast, that sounded like murder.

Mr. ADLERMAN. That would be probably into an empty car or something. I didn't get the understanding at all that it was a murder case.

Senator MUNDT. Brass knuckles would involve considerable roughing up, and it could be murder if you hit him too hard with a pair of brass knuckles.

Mr. ADLERMAN. That is right.

Mr. KENNEDY. But when Connelly was down in Miami, do the records at the hotel indicate that he was in communication with Mr. Flick from his hotel room?

Mr. ADLERMAN. They were in communication together and that is indicated by the telephone calls and Mr. Flick stated he was.

Mr. KENNEDY. Was there anything else of significance regarding the trip?

Mr. ADLERMAN. Well, the bill for Connelly's stay——

Mr. KENNEDY. And could you go into the names?

Mr. ADLERMAN. As to the telephone calls, there were calls coming out of room 301, made to the union office where he talked to Flick, and also to his secretary.

Up to February 9, which is the day before the dynamiting, Connelly used his own name; on the 11th, the day after, he used the name "Cohen."

In the Thomas Department Store we found a bill from the Waves Hotel, which was paid by the John Thomas Stores, for Mr. Dranow and for a George Cohen of room 301, for 2-6, 2-7, 2-8, 2-9, and 2-10, and the amount of that bill is \$75.

Incidentally, I might say that it was almost impossible to get the records from the Waves Hotel, because there had been a deliberate attempt, I believe, to destroy the records.

Mr. KENNEDY. By the former management?

Mr. ADLERMAN. By a former manager, Mr. Charles Kaplan, who has told the present manager that Mr. Dranow had an interest in the Waves Hotel and an interest in his share of the hotel. I don't know that first-hand but one of our investigators has told me that.

Now, we did find one bill of the Waves Hotel which was paid by Thomas Department Store and it shows that the bill is \$77.25, which would include the \$2.25 for the tax. This bill is in the name of Connelly, and it is dated February 6, 1956, rate of \$15 a day, and it shows that he occupied room 301.

Originally it was 306 and it was crossed out and 301 put up above, and he stayed there between the 6th and 11th.

Mr. KENNEDY. What the record shows is that up until February 9, the night of the bombing, Connelly was in there under his own name, and after that he used the name "Cohen," and that the bill was sent to the Thomas Department Store for that room, amounting to \$77.25.

Mr. ADLERMAN. That is right.

Mr. KENNEDY. And that bill was paid or Connelly's bill at that hotel was paid for by the Thomas Department Store.

Mr. ADLERMAN. I have the check for that; yes.

Mr. KENNEDY. That was during the period of time that he was planning the bombing, the decision as to whether it would be brass knuckles, the dynamiting, or the blast through the window with a shotgun.

Mr. ADLERMAN. Yes, so Mr. Flick, one of the defendants, tells me.

The CHAIRMAN. The hotel bill may be made exhibit 8 and the check exhibit 9.

(The documents referred to were marked "Exhibits Nos. 8 and 9" for reference and will be found in the appendix on p. 5729, 5730.)

Mr. ADLERMAN. I have a copy of the entry in the John Thomas Department Store showing that.

Mr. KENNEDY. What is that?

Mr. ADLERMAN. This is taken from the books of the John Thomas Department Store and it shows the bill for Dranow and the account of George Cohen, in room 301 for that same day.

The CHAIRMAN. That may be made exhibit 10.

(The document referred to was marked "Exhibit No. 10" for reference and will be found in the appendix on p. 5731.)

Mr. KENNEDY. I want to get in the record the letters that you have, Mr. Adlerman, showing Mr. Hoffa and Mr. Gibbons' relationship

toward the payment of these fees for Mr. Connelly in connection particularly with this dynamiting.

(Some documents were handed to the witness.)

Mr. KENNEDY. Mr. Chairman, we have a number of 8 or 10 different letters here, and I don't think it is necessary to read them all into the record, but it would be helpful if they were made a part of the record, as they are of some significance.

The CHAIRMAN. How many are there? The series, whatever they are, may be made exhibit No. 11, and you will not read all of the letters, but any significant contents you may quote and discuss.

(The documents referred to were marked "Exhibit No. 11" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. I don't think we have to put them all in.

Mr. ADLERMAN. This letter is written on the Shorelands Hotel stationery, sent in an envelope postmarked March 8, 1956, to Mr. Solly Robbins of St. Paul, Minn. It states:

Mr. SOLLY ROBBINS: Enclosed you will find check. I understand Gordon has talked to you about this. I am sending this from hotel because I will not be home until next week. If I can help in any way, please let me know. My address is Kansas City, Mo., 116 West Lynwood Boulevard, office phone Westport 1-1630. Home residence number and so forth.

Thanks.

ROY L. WILLIAMS,
Trustee of Local 548.

This was the first indication that Mr. Robbins had, and it enclosed a check of \$5,000, that he was to do anything at all in this matter.

The second letter was written by Robbins immediately after he received that letter on March 16. I should not say immediately, but a couple of days later.

This will acknowledge receipt of your check on March 10, 1956. On March 12, 1956, Mr. Connelly's son came in pursuant to a telephone call and I gave him a check for \$2,000 made payable to Gordon C. Peterson, Mr. Connelly's attorney. This was in accordance with the original instructions which I received, and I am holding the balance of \$3,000 pursuant to either your instructions, Mr. Hoffa's instructions or Mr. Connelly's instructions—

and so forth. Signed by Mr. Robbins.

Mr. KENNEDY. That idea is repeated in there a number of different times?

Mr. ADLERMAN. It is repeated in a letter of March 20 that it would be handled through the instructions of Vice President James Hoffa. It is written by Roy Williams, president of Joint Council No. 56 of Kansas City to Mr. Robbins.

Mr. KENNEDY. You also have a number in connection with Mr. Harold Gibbons' participation?

Mr. ADLERMAN. Yes. I have one here dated June 6, 1956, signed by Mr. Harold Gibbons, secretary-treasurer of the Central Conference of Teamsters, addressed to Mr. Sol Robbins:

Enclosed find check in amount of \$5,000 for professional services rendered drawn on the account of the national warehouse division of the International Brotherhood of Teamsters.

Mr. KENNEDY. How was that signed?

Mr. ADLERMAN. That was signed by Mr. H. J. Gibbons, secretary treasurer, Central Conference of Teamsters. You will note that was sent for professional services rendered. Mr. Robbins was a little disturbed by that. He did not want to be shown as receiving any check

for professional services rendered when he was not rendering. He wrote a letter, I think, the next day to James Hoffa. In this letter he addressed to Mr. Hoffa at Detroit he stated:

This will acknowledge receipt of \$5,000 from the Central Conference of Teamsters and an additional \$5,000 from the national warehouse division of the International Brotherhood of Teamsters. The sum of \$10,000 will be disbursed according to your specific instructions as follows—

and then he relates who he paid it out to, which was Goff, Dranow, and Gordon C. Peterson.

Mr. KENNEDY. I think that pretty well covers it.

The CHAIRMAN. The others may be made exhibits as instructed.

Mr. KENNEDY. Is there anything else?

Mr. ADLERMAN. That covers the situation.

Mr. KENNEDY. We have correspondence here in connection with the trusteeship which I would also like to have made as exhibits for reference. I think Mr. Adlerman can testify to that.

The CHAIRMAN. Mr. Adlerman, I present you carbon copies of letters dated October 7, 1955—two so dated—one from Einar Mohn, Sidney L. Brennan, another from Dave Beck to Sidney L. Brennan, and then a copy of a letter of October 31, 1955, from Sidney L. Brennan to Gerald Connelly. Also a letter of October 10, 1955, from Dave Beck to Harlan DeYoung. I ask you to examine these letters and see if you identify them, state the source of your acquisition of them and then they may be made a part of the record. They will be made exhibits 12-A, B, C, and so forth, in the order of their dates. Do you identify those letters that you have procured from the files?

Mr. ADLERMAN. I do, sir. I secured these from a source—a confidential source—which I would be glad to reveal to the committee.

The CHAIRMAN. You can testify that they are authentic?

Mr. ADLERMAN. That is right.

The CHAIRMAN. The significance of particularly one of them is that after Williams was appointed trustee when they removed Brennan, he immediately reinstated Connelly in charge of the union and so states in his letter, and also writes in one of those letters to one of the liquor stores where they have a contract, instructing them accordingly, that Connelly is back in control. Is that correct?

Mr. ADLERMAN. That is correct.

The CHAIRMAN. The rest of the letters have similar significance.

(The documents referred to were marked Exhibits No. 12-A-D for reference and may be found in the files of the select committee.)

Mr. KENNEDY. Mr. Chairman, we have one other witness I want to call who will be brief, but we have some of the food bills from one of the restaurants of Mr. Connelly in Minneapolis.

The CHAIRMAN. Mr. Morgan, I believe you said that when Mr. Connelly left, when he was first put out of the union, he took the records and left about \$300 in the treasury and about \$5,000 worth of bills.

Mr. MORGAN. That is correct.

The CHAIRMAN. I have here a bill from Murray's, which I understand is a restaurant, to local 548, dated September 1955, in the amount of \$707.65. Is that one of the bills that went to make up the \$5,000?

Mr. MORGAN. Yes, it is.

The CHAIRMAN. That bill may be made exhibit 13.

(The bill referred to was marked "Exhibit No. 13" for reference and will be found in the appendix on p. 5732.)

The CHAIRMAN. Now I hand you some documents and ask you to examine them and state what they are. Are those the tickets in support of that restaurant bill?

Mr. MORGAN. Yes, they are.

The CHAIRMAN. They may be made exhibit 13-A.

(The document referred to was marked "Exhibit No. 13-A" for reference and may be found in the files of the select committee.)

The CHAIRMAN. So he left a restaurant bill for \$707 when he departed?

Mr. MORGAN. Yes, sir.

The CHAIRMAN. It was after that that he was placed back in charge again?

Mr. MORGAN. That is correct.

The CHAIRMAN. In other words, he is charging his restaurant bills to the union.

Mr. MORGAN. That is right.

The CHAIRMAN. That was pretty expensive eating, was it not?

Mr. MORGAN. I would say it was.

The CHAIRMAN. Being paid by the dues collected from the members.

Mr. MORGAN. Yes.

Senator McNAMARA. Mr. Chairman, before the staff witness leaves the witness chair, I would like to ask him a couple of questions.

Does the examination you made reflect the present status of the \$1 million loan? Is it still all due or has some of it been paid?

Mr. ADLERMAN. It is a very recent loan, comparatively speaking. It was made on May 28 of this year. I believe some installment had been paid on it. I assumed it had been paid.

Senator McNAMARA. Do you know anything about the terms of the loan?

Mr. ADLERMAN. I have some documents but I would have to refresh my recollection.

Senator McNAMARA. Do you remember the interest to be paid?

Mr. ADLERMAN. I believe it is a fairly high rate of interest. I think it is a 6-percent interest rate. I don't know. The next witness could probably tell you about that better than I can.

Senator McNAMARA. All right.

The CHAIRMAN. Is there anything further?

Senator MUNDT. Do you know, Mr. Morgan, that these bills from Connelly are invariably for two people with the dinner check averaging \$16 or \$17 a night? Do you know who the other person would be?

Mr. MORGAN. His secretary.

Senator MUNDT. These are pretty high priced dinners in Minneapolis, averaging \$16 or \$17 a night. It goes all the way through. Some of them are as high as \$25, including the cocktails.

Mr. KENNEDY. That was in a 7-month period that the bills amount to \$700 for Connelly and his secretary. That is all.

The CHAIRMAN. Is there anything further?

Senator MUNDT. Maybe this was perfectly proper. Did his contract with the union agree to feed him? Did he get salary plus board and room?

Mr. MORGAN. What?

Senator MUNDT. In Mr. Connelly's contract with the union and arrangements with the union, did the membership vote that he was to

get a salary plus board and room or was he simply foisting off on the union his dinners with his secretary?

Mr. MORGAN. I don't think they ever voted on anything.

Senator MUNDT. You don't think they did. You think he just shoved it off on the workingmen in Minneapolis?

Mr. MORGAN. I am sorry. I can't hear.

Senator MUNDT. Do you think he was foisting off on the working men and women in Minneapolis these high-priced dinners?

Mr. MORGAN. Yes.

Senator MUNDT. There was no vote by the union agreeing to feed him out of their dues at a rate of \$15 to \$18 per night?

Mr. MORGAN. Yes, that is right.

Mr. KENNEDY. Mr. Chairman, we had expected to have Mr. Dranow. We have a number of matters in addition to what has come out already to ask Mr. Dranow. In view of the fact that he has stated he is ill and in the hospital, we have asked the president of the Thomas department store to come and testify. I talked to him briefly this morning. I doubt if it will be too long. His name is Mr. Hudson.

The CHAIRMAN. Mr. Hudson, come around, please.

Mr. KENNEDY. Thank you very much.

The CHAIRMAN. The Chair will place in the record the telegram which we have received regarding the condition of Mr. Dranow. It appears now that he will be able to testify a little later, and we will expect to have his testimony. This may be filed. It does not have to go in the record, but I want it kept in the official files of the committee regarding this hearing.

Will you be sworn, please, sir?

You do solemnly swear that the evidence you shall give before this Senate Select Committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. HUDSON. I do.

TESTIMONY OF JOHN L. HUDSON

The CHAIRMAN. Be seated. State your name, your place of residence and your business or occupation.

Mr. HUDSON. John L. Hudson, 2710 Ottawa, Minneapolis, Minn. My occupation is president of the John W. Thomas Co., in Minneapolis.

The CHAIRMAN. Mr. Hudson, you are familiar with the rules of the committee that you are entitled to have present counsel to advise you regarding your legal rights while you testify. Do you waive counsel?

Mr. HUDSON. I do.

The CHAIRMAN. Thank you. Proceed, Mr. Counsel.

Mr. KENNEDY. You are president of the Thomas Department Store?

Mr. HUDSON. Yes; that is correct.

Mr. KENNEDY. How long have you held that position?

Mr. HUDSON. Since the first part of 1954.

Mr. KENNEDY. Your family were the chief owners of the Thomas Department Store?

Mr. HUDSON. Yes.

Mr. KENNEDY. This ownership was sold out to Mr. Dranow?

Mr. HUDSON. That is correct.

Mr. KENNEDY. While you have been president, there was a \$200,000 loan that was negotiated with the teamsters. Can you tell us anything about that loan?

Mr. HUDSON. Well——

Mr. KENNEDY. Did you conduct the negotiations?

Mr. HUDSON. No; I did not.

Mr. KENNEDY. Who conducted the negotiations?

Mr. HUDSON. Mr. Dranow and our attorneys.

Mr. KENNEDY. With whom were the negotiations conducted?

Mr. HUDSON. I think it was the Michigan Teamsters Welfare Fund.

Mr. KENNEDY. You don't know that?

Mr. HUDSON. No; I am not sure.

Mr. KENNEDY. You were president of the company. Didn't Mr. Dranow keep you informed as to what was going on?

Mr. HUDSON. As a matter of fact, my duties and responsibilities in the company were strictly the mercantile operation of the company. I was not brought into the financial negotiations of the company.

Mr. KENNEDY. That was all conducted by Mr. Dranow?

Mr. HUDSON. That is correct.

Mr. KENNEDY. That was his responsibility?

Mr. HUDSON. Yes, sir.

Mr. KENNEDY. And he did not keep the rest of the officers or at least as far as you are concerned as president of the company informed as to what he was doing?

Mr. HUDSON. No, sir.

Mr. KENNEDY. You received in addition to the \$200,000 loan another \$1 million loan in the last few months. Did you conduct those negotiations?

Mr. HUDSON. No, sir.

Mr. KENNEDY. Who conducted those negotiations?

Mr. HUDSON. Mr. Dranow and the attorneys.

Mr. KENNEDY. With whom did they conduct the negotiations?

Mr. HUDSON. It was with the central teamsters and I think the southeast southwest group.

Mr. KENNEDY. Again you do not know?

Mr. HUDSON. No.

Mr. KENNEDY. Were these negotiations specifically conducted with Mr. Hoffa?

Mr. HUDSON. That I couldn't answer.

Mr. KENNEDY. You do not know that.

Mr. HUDSON. No, sir.

Mr. KENNEDY. Do you know if Mr. Dranow knows Mr. Hoffa?

Mr. HUDSON. Well, I think I could testify to the fact that he does know him, yes.

Mr. KENNEDY. You met Mr. Hoffa yourself?

Mr. HUDSON. I have on one occasion, yes.

Mr. KENNEDY. When was that?

Mr. HUDSON. It was approximately a year ago when he visited the store one evening prior to our \$200,000 loan.

Mr. KENNEDY. Who brought him around the store at that time?

Mr. HUDSON. Mr. Dranow brought him into the store.

Mr. KENNEDY. Did you know that Mr. Connelly's son was working in Thomas Department Store?

Mr. HUDSON. Not until it was all over.

Mr. KENNEDY. That was also Mr. Dranow?

Mr. HUDSON. I don't know whether Mr. Dranow actually hired him. I don't know what the relationship was there.

Mr. KENNEDY. Can you give the committee any explanation as to why he came to work under the name of Kelly?

Mr. HUDSON. No; except the fact that he was employed as an assistant to our manager in our St. Paul store under that assumed name. Mr. Peterson needed some help over there and he hired—whoever hired him, I don't know the circumstances surrounding it—but he was hired and worked for a period of a few months and then left.

Mr. KENNEDY. Do you know what part Mr. Jack Bushkin had in the negotiations in either one of these loans?

Mr. HUDSON. I do not.

Mr. KENNEDY. Do you know if Mr. Bushkin ever worked for the Thomas Department Store?

Mr. HUDSON. Not to my knowledge.

Mr. KENNEDY. You don't know anything about Mr. Bushkin?

Mr. HUDSON. No, sir.

Mr. KENNEDY. Do you know he participated in these negotiations?

Mr. HUDSON. I do not.

Mr. KENNEDY. Do you know he participated in the negotiations the Thomas Department Store had with the retail clerks?

Mr. HUDSON. No, sir.

Mr. KENNEDY. I just want to point out that this was all done during a period of time when you were president of Thomas Department Store.

Mr. HUDSON. That is correct.

Senator MUNDT. Do you know Mr. Kelly or Connelly?

Mr. HUDSON. Yes. I met the boy once or twice on my visits to the St. Paul store.

Senator MUNDT. Did he have previous mercantile experience as manager of a store?

Mr. HUDSON. No; he hadn't. As a matter of fact, it was explained to me that he was brought in on an apprenticeship basis to learn the business.

Senator MUNDT. He was brought in as an assistant manager on an apprenticeship basis?

Mr. HUDSON. Yes; that is correct.

Senator MUNDT. Did you know he was operating under an assumed name?

Mr. HUDSON. I did not.

Senator MUNDT. Because his name was Kelly, you thought he was some Irishman by the name of Kelly.

Mr. HUDSON. That is correct.

Senator MUNDT. Can you give the committee any help as to why your store should pay the hotel bill of Mr. Connelly down in Florida?

Mr. HUDSON. I don't know why.

Senator MUNDT. As president of the company, did you know that you were paying Mr. Connelly's hotel bill down in Florida?

Mr. HUDSON. No; I did not.

Senator MUNDT. Don't you have meetings of the board of directors? Doesn't the president look over the accounts of the concern? I can understand why the immediate financial transactions might be turned over to somebody else, but I would think you would have some overall

knowledge of what use would be made of the store's funds, especially if they are paying hotel bills for people convicted of dynamiting down in Florida.

Mr. HUDSON. Perhaps on this particular occasion it was explained to me, that Mr. Dranow—Mr. Dranow explained to me that during his travels around the country he was negotiating for finances for the company. Mr. George Cohen was one of the potential loaners and that he was with him down there.

Senator MUNDT. In other words, Mr. Dranow never told you that Mr. Cohen was an alias for Mr. Connelly?

Mr. HUDSON. No, sir.

Senator MUNDT. As far as you knew, Mr. Cohen was the potential financial associate of the store, and he obtained him for that purpose.

Mr. HUDSON. That is correct.

Senator MUNDT. To the best of your personal knowledge you did not know you were paying Connelly when you were paying the bill of Cohen?

Mr. HUDSON. No, sir; I did not.

Mr. KENNEDY. I want to go back to Mr. Bushkin once again. Do you know anything of the relationship between Mr. Dranow and Mr. Bushkin?

Mr. HUDSON. No, sir.

Mr. KENNEDY. Did you know that Mr. Dranow had passed some bad checks out in Las Vegas? Do you know anything about that?

Mr. HUDSON. I don't know anything about it. I heard about it somewhat at the time.

Mr. KENNEDY. Do you know that Mr. Bushkin made good on those checks?

Mr. HUDSON. No, sir.

Mr. KENNEDY. You cannot give us any explanation as to why Mr. Bushkin, of Detroit, would make good on Mr. Dranow's bad checks out in Las Vegas?

Mr. HUDSON. No, sir; I could not tell you that.

Mr. KENNEDY. Do you know Mr. Bushkin's relationship with Mr. Hoffa or with the retail clerks?

Mr. HUDSON. No; I don't.

Mr. KENNEDY. As I said, Mr. Chairman, Mr. Dranow could really be a valuable witness to this committee.

The CHAIRMAN. Let me ask one thing. When these loans were negotiated, did you not as president of the company have to sign some evidence of the debt, whatever was offered as security?

Mr. HUDSON. That is correct. After the negotiations—actual negotiations—were completed, as an officer of the company, it required my signature, and I did review the papers and the particulars at the time with the attorneys when the final completion of the financial deals was to be consummated.

The CHAIRMAN. Did you have a meeting of the board of directors that authorized and directed Mr. Dranow to carry on negotiations? In other words, to undertake to secure a loan for your company?

Mr. HUDSON. Yes, sir.

The CHAIRMAN. You had a meeting of the directors?

Mr. HUDSON. Yes, sir.

The CHAIRMAN. Authorizing him to do that before he undertook it.

Mr. HUDSON. That is correct.

The CHAIRMAN. But during the course of the negotiations you had no information as to whom he was negotiating with?

Mr. HUDSON. That is correct.

The CHAIRMAN. Or any of the terms that might be under consideration?

Mr. HUDSON. That is right.

The CHAIRMAN. When they finally got it completed or consummated, they had the papers prepared and brought to you for signatures.

Mr. HUDSON. That is correct.

Senator McNAMARA. Do you know the terms of the \$200,000 loan? How much interest was to be paid? Who was it negotiated with?

Mr. HUDSON. As I recall it was with the Michigan Teamsters Welfare Fund.

Senator McNAMARA. Who represented them; do you know?

Mr. HUDSON. I could not say right offhand. I don't recall. I know it was a monthly sum of approximately \$5,500 that was to be paid back.

Senator McNAMARA. \$5,500?

Mr. HUDSON. Yes; over a period of time.

Senator McNAMARA. You know this is about a year old and the \$5,500 has been paid on this \$200,000?

Mr. HUDSON. Yes; that is correct. It was being paid.

Senator McNAMARA. What was the duration of that \$200,000 loan? How long was it to run? Was it established?

Mr. HUDSON. I think it was a 4-year arrangement.

Senator McNAMARA. The \$1 million loan which is comparatively new according to the previous testimony, you don't know the interest rate on that, either; or do you?

Mr. HUDSON. No; not right offhand.

Senator McNAMARA. Do you know what the terms of payment on that are? How much a month?

Mr. HUDSON. It is an annual payment of approximately \$96,000 a year.

Senator McNAMARA. Ninety-six thousand dollars a year?

Mr. HUDSON. Somewhere in that neighborhood. Ninety-thousand-some-odd.

Senator McNAMARA. That is a long-term loan.

Mr. HUDSON. That is correct.

Senator McNAMARA. What is the book value of the Thomas Co.?

Mr. HUDSON. The book value is rather difficult to say at the moment. I would say about \$2,800,000?

Senator McNAMARA. \$2,800,000?

Mr. HUDSON. That is the worth of the company, inventories and the buildings and anything.

Senator McNAMARA. The company owns the building?

Mr. HUDSON. We own the building, yes; but not the land.

Senator McNAMARA. The inventory is included in this figure that you mentioned of \$2 million plus?

Mr. HUDSON. Yes; I would say that is approximately correct.

Senator McNAMARA. Are you still the president of the company?

Mr. HUDSON. Yes, I am.

Senator McNAMARA. Do these people who made the loans have representation on your board of directors?

Mr. HUDSON. No, they do not.

Senator McNAMARA. They are all represented by Mr. Dranow if there is any representation. Is that your analysis of it?

Mr. HUDSON. That is correct.

Senator McNAMARA. Are you Mr. Dranow's employer? Do you have any authority to hire or fire a man in that position as president of the company?

Mr. HUDSON. Not at this point, because he is the sole owner of the company at this time.

Senator McNAMARA. You are the president?

Mr. HUDSON. Yes; so I am the employee, you might say. He is the employer.

Senator McNAMARA. Were you the party that Mr. Dranow negotiated with when he obtained control of the company? Did he have to do that with you? You were the principal owner; were you not?

Mr. HUDSON. There were trust funds set up for various members of the family, each of whom owned a certain amount of shares.

Senator McNAMARA. Then you operated for the family.

Mr. HUDSON. That is correct.

Senator McNAMARA. When he obtained control, we have testimony that says he obtained control of the Thomas company for \$13,714, plus a payment of \$25,000 a year to somebody by way of salary.

Mr. HUDSON. That is correct.

Senator McNAMARA. Did you approve these terms?

Mr. HUDSON. Prior to that sale, that was the sale price that was agreed upon between Mr. Yalomstein and Mr. Dranow. Prior to that time we had sold our stock to Mr. Yalomstein. In other words, we sold our interest in the company to him, Mr. Yalomstein. He in turn sold it to Mr. Dranow.

Senator McNAMARA. Do you know he sold it to Mr. Dranow at this \$13,714 payment plus some extenuating agreement?

Mr. HUDSON. Yes.

Senator McNAMARA. Who is this first gentleman? I did not get his name.

Mr. HUDSON. Mr. Yalomstein.

Senator McNAMARA. How did he obtain control? By purchase?

Mr. HUDSON. He is the former owner of the company and donor on the trust funds that were set up for various members of his family, and also my family. He is the original owner of the store purchased back in 1935.

Senator McNAMARA. At that point, control of the company passed from you to him; is that it?

Mr. HUDSON. That is correct.

Senator McNAMARA. He represents the owners now, rather than you, at this point?

Mr. HUDSON. At that point, yes.

Senator McNAMARA. Subsequently he transferred control of the company to Mr. Dranow.

Mr. HUDSON. That is correct.

Senator McNAMARA. Thank you.

Senator MUNDT. Were you the operating president of the company when Mr. Yalomstein had it, or did you become president when Dranow took it over?

Mr. HUDSON. Mr. Dranow came with the store approximately the first part of 1953. At that time Allert was the president of the store and had been for a good many years. Subsequently upon his retirement I was elected president in the reorganization.

Senator MUNDT. And you had been in the store as one of the officers prior to that time.

Mr. HUDSON. Yes, I had.

Senator MUNDT. Were you manager or assistant president? You were the logical successor to the presidency upon the retirement of your predecessor.

Mr. HUDSON. That is correct.

Senator MUNDT. How long had you been active in the store in 1953?

Mr. HUDSON. Since approximately 1939. Almost 18 years.

Senator MUNDT. Thank you.

Mr. KENNEDY. At the time the \$200,000 loan was negotiated by Mr. Dranow, the Thomas Department Store was quite close to bankruptcy, was it not?

Mr. HUDSON. It was in difficult shape. There is no question about that.

Mr. KENNEDY. They were having a very difficult time?

Mr. HUDSON. Yes.

Mr. KENNEDY. And it was on strike at that time by the retail clerks?

Mr. HUDSON. I have heard it referred to that it was on strike, but actually it was not a strike. There was simply picketing going on.

Mr. KENNEDY. By the retail clerks?

Mr. HUDSON. That is correct. We were never at any time on strike.

Senator MUNDT. How long did the picketing continue, Mr. Hudson?

Mr. HUDSON. Some 3 years.

Senator MUNDT. Beginning when and stopping when?

Mr. HUDSON. It began in 1953 and stopped last December.

Senator MUNDT. What happened to make it stop. Did you unionize?

Mr. HUDSON. Yes; we unionized and a contract was signed.

Senator MUNDT. In other words picketing was an attempt to make you unionize, and in 1956 you did unionize and then they stopped picketing.

Mr. HUDSON. That is right.

Senator MUNDT. Prior to 1956 you had a nonunion shop.

Mr. HUDSON. That is correct.

Mr. KENNEDY. Mr. Chairman, we have some of these checks that were paid in connection with that legal fee of Connelly. Could we have those made a part of the record?

Senator MUNDT. You don't need Mr. Hudson?

Mr. KENNEDY. No.

The CHAIRMAN. Thank you very much.

Mr. Adlerman, you have some documents there supporting the testimony you gave regarding the payment of attorney fees?

Mr. ADLERMAN. I have.

The CHAIRMAN. Identify them, and they may be placed in the record.

Mr. ADLERMAN. I have a series of checks from the Central States Conference of Teamsters which verify the fact that the source of the funds came from the Central Conference of Teamsters for the various things I listed before. I don't want to go into detail.

The CHAIRMAN. They may all be marked "Exhibit No. 14," to get them in the record and identify them.

(The documents referred to were marked "Exhibit 14" for reference and will be found in the appendix on p. 5733-5742.)

Mr. ADLERMAN. I would like to state this: I was asked the question before, who signed these checks. I have in my hands seven checks which total the larger part of the amounts I indicated before, signed by Mr. James Hoffa.

The CHAIRMAN. Mr. Hoffa signed the checks for most of them?

Mr. ADLERMAN. That is right.

Mr. KENNEDY. And also Mr. Gibbons?

Mr. ADLERMAN. I believe that the second signature was H. J. Gibbons.

Mr. KENNEDY. They were signed by Mr. Hoffa and Mr. Gibbons.

Mr. ADLERMAN. That is right. In addition to that, we found one additional check since I took the stand. This was made out to Mr. Jerry Connelly. This check is in the sum of \$2,500 deposited in the account of Nemerov, indicating there was an additional legal fee paid.

Mr. KENNEDY. In addition to the one you mentioned.

Mr. ADLERMAN. That is right.

Mr. KENNEDY. So that would bring it up over \$56,000.

Mr. ADLERMAN. That is right. I have two other checks.

Mr. KENNEDY. What are those?

Mr. ADLERMAN. Those are two checks drawn on the Central States Drivers Council to Mr. Solly Robbins, each in the sum of \$5,000.

Mr. KENNEDY. Those are checks you mentioned before?

Mr. ADLERMAN. That is right.

Mr. KENNEDY. Who are they signed by?

Mr. ADLERMAN. They are signed by Mr. J. L. Hudson and a Mr. Terry.

Mr. KENNEDY. That is all.

The CHAIRMAN. The committee will stand in recess until 2:15.

(Present at the time of taking the recess: Senators McClellan, Mundt, and McNamara.)

(Thereupon at 12:30 p. m., a recess was taken until 2:15 p. m., the same day.)

AFTERNOON SESSION

The CHAIRMAN. Call the next witness. The committee will come to order.

(Present at the convening of the session were Senators McClellan, McNamara, and Mundt.)

Mr. KENNEDY. Mr. Floyd Hook, please.

The CHAIRMAN. All right, sir, be sworn. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth and nothing but the truth so help you God?

Mr. Hook. I do.

TESTIMONY OF FLOYD HOOK

The CHAIRMAN. State your name, and your place of residence and your business or occupation.

Mr. HOOK. My name is Floyd Hook, I live in Birmingham, Mich., and I am a shipping clerk.

The CHAIRMAN. A shipping clerk?

Mr. HOOK. Yes, sir.

The CHAIRMAN. By whom are you employed?

Mr. HOOK. Fred V. Ginch, Inc.

The CHAIRMAN. You have talked with members of the staff, have you?

Mr. HOOK. I have, sir.

The CHAIRMAN. You know generally the line of interrogation to expect?

Mr. HOOK. I do, sir.

The CHAIRMAN. You are also advised that you have a right to have counsel present when you testify, to advise you regarding your legal rights?

Mr. HOOK. Yes, sir.

The CHAIRMAN. You waive counsel?

Mr. HOOK. I waive counsel.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Mr. Chairman, we are now going into a third matter. This morning we went into the situation that existed in Minneapolis, and the activities of Mr. Hoffa in connection with that local.

Now we are going to go into a local in Pontiac, Mich., and the relationship of Mr. Hoffa with the officials of that local and what were the results.

Now, Mr. Hook, you were a member of the teamsters union?

Mr. HOOK. Yes, sir; I was.

Mr. KENNEDY. For how long?

Mr. HOOK. I was a member for approximately 14 years.

Mr. KENNEDY. From what time?

Mr. HOOK. From 1939, I believe, sir.

Mr. KENNEDY. From 1939 until what time?

Mr. HOOK. Until 1954.

Mr. KENNEDY. You are no longer with the teamsters?

Mr. HOOK. I was expelled.

Mr. KENNEDY. You were expelled by the teamsters?

Mr. HOOK. Yes, sir.

Mr. KENNEDY. Now, during the period of time that you were with the teamsters, with local—what local number is that?

Mr. HOOK. Pontiac Local 614.

Mr. KENNEDY. How many members are there or how many members were there during that period of time?

Mr. HOOK. Approximately 2,000 at the time I was expelled.

Mr. KENNEDY. What jurisdiction were they or what area did you cover?

Mr. HOOK. Oakland County.

Mr. KENNEDY. You were drivers?

Mr. HOOK. Drivers, mostly drivers and there is building trades, also, but mostly drivers.

Mr. KENNEDY. During the period of time that you were with the local, did they ever hold an election?

Mr. Hook. There were two, if you want to call them elections. We will say two elections.

Mr. KENNEDY. Two elections?

Mr. Hook. Yes, sir.

Mr. KENNEDY. What years were they?

Mr. Hook. Well, one was in 1946 to the best of my recollection, and one was 1949.

Mr. KENNEDY. Around that time?

Mr. Hook. Yes, sir.

Mr. KENNEDY. Was there any difficulty in connection with that election?

Mr. Hook. Well, no, the only difficulty was, Mr. Kennedy, that there was no election as far as the rank and file was concerned.

Mr. KENNEDY. What do you mean by that?

Mr. Hook. There was no opposition to the officials already in office.

Mr. KENNEDY. There was no opposition to the officials in office?

Mr. Hook. There were members nominated, but were disqualified.

Mr. KENNEDY. Why were they disqualified?

Mr. Hook. Well, as a member not in good standing according to the interpretation of the present officials of our union, our teamster union.

Mr. KENNEDY. For what reason were they not in good standing?

Mr. Hook. Well, I think it states that you must be a member in good standing, and that means that your dues must be paid on or before the first of the month. The dues in the checkoff system are taken out of the paychecks from 1 to 2 weeks before the first of the month, but it is withheld by the companies because the union will not issue a steward's report before the first of the month, so the company doesn't know what members to pay the dues on.

Mr. KENNEDY. So the result is under the checkoff system that is used, the dues do not arrive at the union until after the first of the month.

Mr. Hook. That is right.

Mr. KENNEDY. And only those who have their dues paid up by the first of the month can vote, is that right?

Mr. Hook. That is right.

Mr. KENNEDY. So that everybody is ineligible to vote except the incumbent officers who pay their own dues, is that right?

Mr. Hook. Until lately. And now the union steward—automatically their dues are paid by the local, so they, if they are still around when election comes up, they are eligible for office.

Mr. KENNEDY. That has been since you left the union?

Mr. Hook. No; that happened just before I left the union.

Mr. KENNEDY. Just before you left the local?

Mr. Hook. Yes, sir.

Mr. KENNEDY. But for some 12 or 13 years, or 10 or 12 years, the system was that only the incumbent officers could vote in the election; is that right?

Mr. Hook. That is right, sir.

Mr. KENNEDY. Now, that was the first election in 1949, and was there a second election?

Mr. HOOK. The election, the first one was before 1949. I believe it was around 1946, I believe. I could be wrong on the year there, but it was 4 or 5 years before.

Mr. KENNEDY. Was the same arrangement followed?

Mr. HOOK. Yes, sir.

Mr. KENNEDY. How many individuals were free to vote in the election?

Mr. HOOK. First they had to pay their money as they entered, when they got ready to vote. Even though their money had been taken out of their paycheck, they still had to pay another month to vote.

Mr. KENNEDY. How many were ruled eligible to vote in the election?

Mr. HOOK. Nobody.

Mr. KENNEDY. Nobody except the incumbent officers?

Mr. HOOK. That is right.

Mr. KENNEDY. That would be just 5 or 7 people that would be allowed to vote in the election?

Mr. HOOK. I believe there are seven altogether, more voted, but the ones that voted had to vote for the people already in office.

Mr. KENNEDY. Well, only the seven incumbent officers were eligible to vote, is that right?

Senator McNAMARA. Eligible to hold office, I think.

Mr. KENNEDY. I think it is also to vote.

Mr. HOOK. At that time, yes, until they paid their dues.

Mr. KENNEDY. Let us start over again. Until they paid their dues, if they did not have their dues paid up on the first of the month.

Mr. HOOK. But when they got down to the union hall they went ahead and paid dues again and then they voted.

Mr. KENNEDY. They could pay them twice?

Mr. HOOK. But they hadn't been a member for 2 years and you have to be a member in good standing for 2 years to run for office.

Mr. KENNEDY. How many were eligible?

Let me start over again. The ones that were eligible to vote were the seven incumbent officers.

Mr. HOOK. That is right.

Mr. KENNEDY. And anybody else that came down and wanted to vote had to pay his dues again, a month in advance.

Mr. HOOK. That is right, Mr. Kennedy.

Mr. KENNEDY. I still don't understand that.

Mr. HOOK. You don't understand?

Senator MUNDT. Let me see if I have it straight.

You have two different groups of eligibles, one which is eligible to vote and another eligible to hold office.

Mr. HOOK. That is right.

Senator MUNDT. The ones eligible to hold office were limited to about 7, because they had to be in the union for 2 years but anybody could vote who would come down and pay his dues a month in advance.

Mr. HOOK. Yes, sir.

Senator MUNDT. So that you have two groups of eligibles.

Mr. HOOK. That is right.

Senator MUNDT. We started out the colloquy by asking about how many actually did vote. How many actually came in and voted and paid their dues in advance?

Mr. Hook. At the 1 election we had around 250 members voting. Senator MUNDT. Out of 2,000?

Mr. Hook. Yes, sir. At the other election, I believe there was around 56 voted, and the rest of them walked out and went back to their jobs.

Senator MUNDT. Why did they walk out?

Mr. Hook. They had nobody to vote for, only the people that were already in office.

Senator MUNDT. There is no incentive to pay dues a month in advance to vote for a slate that is already picked, and you didn't.

Mr. Hook. That is right, and you just had this one slate.

Senator MUNDT. And you could not nominate from the floor because nobody else could be eligible for office?

Mr. Hook. There were nominations, but they would disqualify them.

Senator MUNDT. On the basis that they had not been in good standing for 2 years?

Mr. Hook. Yes, sir.

Senator MUNDT. Did you not have some members of the union who had been union members for 2 years?

Mr. Hook. We had many members who had been there for years.

Senator MUNDT. How were they disqualified?

Mr. Hook. Because, as I said before, their dues had come out of their paycheck, which had been turned in to the union at a later date, too late for them to be in good standing from month to month, as they approached the election date.

The CHAIRMAN. Let me see if I understand it.

In other words, to be in good standing for a period of 2 years, that was required before they were eligible to run for office.

Mr. Hook. Yes, sir.

The CHAIRMAN. If at any month during that past 2 years, their dues had not been received by the union by the first of the month, then they were not in good standing for that month.

Mr. Hook. That is right.

The CHAIRMAN. They were not continuously in good standing for 2 years, and therefore, they were ineligible.

Mr. Hook. That is right.

The CHAIRMAN. Is that the way it worked?

Mr. Hook. That is correct.

The CHAIRMAN. The reason the dues were not in there on the first of the month, although they had been withheld by the employer, was because they would not name a steward for the company to pay the dues to until after the first of the month; is that correct?

Mr. Hook. No, sir.

The CHAIRMAN. All right.

Mr. Hook. We have what we call the steward's report. The local union officials presents it to the company, the employer, and he goes down this steward's report with all of the members' names on there, and how much money they owe. That is what is called the steward's report.

But the employer cannot pay that money in, and he can deduct it from every employee, but he cannot pay it into the union until he receives this steward's report and the union officials of the teamsters do not issue those reports until after the first of the month.

The CHAIRMAN. That is what I understood.

Mr. HOOK. The steward's report is a sheet of paper.

The CHAIRMAN. The money is withheld in the middle of the month?

Mr. HOOK. Yes, sir.

The CHAIRMAN. That is withheld from the wages?

Mr. HOOK. That is right.

The CHAIRMAN. And salaries?

Mr. HOOK. Yes, sir.

The CHAIRMAN. But the union doesn't send in the steward's report until after the first of the month.

Mr. HOOK. That is right.

The CHAIRMAN. And until that report comes in, the company cannot pay over the money to the union.

Mr. HOOK. That is right.

The CHAIRMAN. So, therefore, the rank and file are ineligible because their dues do not reach the union treasury by the first of the month.

Mr. HOOK. Now, the union officials, we were opposed to this setup, the union officials told us, all you have got to do to be eligible is go down to the union hall and lay out the cash of 1 month and the company will continue to take your dues out, and then you will be in good standing.

We had men to do that and what happened? Before election time would arrive, 1 month, somewhere in that time, the company would not remove the dues from the man's paycheck because they claimed his name was not on the steward's report for him to remove it.

The CHAIRMAN. They would take up the slack?

Mr. HOOK. That is right.

The CHAIRMAN. By leaving his name off the steward's report?

Mr. HOOK. That is absolutely right.

Senator McNAMARA. You say that the rules were in the manner you have described. How did the rules come into being? Was this your local bylaws?

Mr. HOOK. I believe this was written into the constitution

Senator McNAMARA. The constitution and bylaws of the local?

Mr. HOOK. Of the international.

Senator McNAMARA. The international?

Mr. HOOK. Yes, sir.

Senator McNAMARA. Did you also have a local bylaws?

Mr. HOOK. We could never find them. We asked for them time and again and the local bylaws, and we could never get them surrendered to the rank and file.

Senator McNAMARA. Was this local under trusteeship all of this time?

Mr. HOOK. No, sir; it wasn't. It wasn't until 1953, I believe.

Senator McNAMARA. About the time you left?

Mr. HOOK. I left shortly after that.

Senator McNAMARA. You say that you were expelled and what were the grounds for your expulsion?

Mr. HOOK. Well, when I lost my job at Motor Car Transport, after being there, I was there before World War II, and I went back there after World War II, and after I lost my job and I couldn't find a job,

before this happened when I was in the union activity my family moved to Indiana.

My wife was quite a nervous wreck over some things that happened in Pontiac, and she went back to her home in Indiana with the children. I stayed in Michigan, and after I lost my job, I was there for practically 3 or 4 months and I did not get a job. So I called the present employer I am employed with now and he asked me where I wanted to work and I told him I would just as soon work in Indiana temporarily. He told me there was going to be another factory built in Detroit and so I mentioned the fact I would like to be transferred back.

So while I am working in Indiana, Mr. Hoffa sent an attorney down there to check on me, and check how long I had been there, and my hours of work and in fact, he checked on me while I was working for the employer in Indiana, even though I told the local union in Pontiac that I was there temporarily.

And he came back up and I had some children in Michigan at the time and I would come back every 2 or 3 weeks and drive a dump truck on weekends, and then I would go back down and work in Indiana.

I was down there on a temporary basis, and I went to local 614 and I tried to pay my dues, and they refused to accept them and they tried to force me to take a withdrawal card.

Senator McNAMARA. Why do you assume you were expelled? For nonpayment of dues?

Mr. Hook. No. They would not accept my dues. When I asked the acting president why, he said, "You will have to take it up with Mr. Hoffa. I have been told not to take any more dues from you." The acting president is Leon Harrison.

Senator McNAMARA. Was this during the period while you were unemployed?

Mr. Hook. No, sir. This was during the period while I was employed in Indiana.

Senator McNAMARA. In Indiana?

Mr. Hook. In Indiana.

Senator McNAMARA. This was outside of the jurisdiction of the Pontiac local?

Mr. Hook. That is right.

Senator McNAMARA. This period that you were unemployed, this 3 or 4 months you mentioned, did you pay your dues?

Mr. Hook. My dues was paid every month. They was paid for months after I went to Indiana.

Senator McNAMARA. But then they refused to take your dues?

Mr. Hook. I came back up here and they refused to take them.

Senator McNAMARA. On the basis of their refusal to take them, you became an expelled member?

Mr. Hook. That is right.

Senator McNAMARA. You were not expelled for any cause except that they would not receive your money? Is that your testimony?

Mr. Hook. You have to pay your dues or you cannot be a member.

Senator McNAMARA. If you do not pay your dues for a certain period of time you become an expelled member?

Mr. Hook. Unless you have a withdrawal card.

Senator McNAMARA. They offered you a withdrawal card and you would not take it?

Mr. HOOK. I didn't take it because I was going to drive a truck part time.

Senator McNAMARA. But you had no connection with 614, or whatever you call it, anyway?

Mr. HOOK. That is right.

Senator McNAMARA. Mr. Hook, were you an officer of the union?

Mr. HOOK. No, sir.

Senator McNAMARA. Were you a steward?

Mr. HOOK. I was elected a steward by the boys of our company.

Senator McNAMARA. By who?

Mr. HOOK. Of the members of our company, the drivers of the company I worked for.

Senator McNAMARA. You had to make out these reports that you talk about?

Mr. HOOK. I did not make out these reports. These reports were made out at the local union hall.

Senator McNAMARA. Not by the steward?

Mr. HOOK. Not by the steward.

Senator McNAMARA. You referred to some steward's report.

Mr. HOOK. They called it a steward's report.

Senator McNAMARA. It is made out by somebody else than the steward?

Mr. HOOK. That is right.

Senator McNAMARA. And this is a general practice?

Mr. HOOK. Yes, sir. It was at that time.

Senator McNAMARA. The steward did not make out the steward's report. It was made out at the union headquarters?

Mr. HOOK. That is right, sir.

Senator McNAMARA. Then they took it from the records, apparently, or something. They did not have the job contact because the steward had?

Mr. HOOK. I beg your pardon?

Senator McNAMARA. The steward had the job contact. He knew who was working from day to day.

Mr. HOOK. The steward was not brought into the picture at all.

Senator McNAMARA. The report was made by others?

Mr. HOOK. That is right.

Senator McNAMARA. All right.

Mr. KENNEDY. Those members who were not familiar with the constitution and came down, on the 15th of the month to vote, they would be ineligible under this checkoff system, would they not?

Mr. HOOK. That is right, sir.

Mr. KENNEDY. Unless they were familiar with this procedure in the constitution that you have to have your dues paid up on the 1st of the month and had paid their dues in advance, then they would have been ineligible to vote in the election in the middle of the month?

Mr. HOOK. The members felt, because of their money being taken out of their paycheck, that they were a member in good standing at all times, until they got to the union hall.

Mr. KENNEDY. So, actually, it is a very, very small percentage that would know enough to pay their dues twice, isn't that right? Or pay them early so that they could vote in the election? It would be a very small percentage who would do that?

Mr. HOOK. That is right.

Mr. KENNEDY. Who were the officers that were running the union during this period of time?

Mr. HOOK. Daniel Keating, he was the president. I believe at that time there was Lloyd Welling, was the secretary-treasurer, at that time.

Mr. KENNEDY. Was Mr. Lintean an officer?

Mr. HOOK. That was later.

Mr. KENNEDY. When did he become an officer?

Mr. HOOK. The year I do not——

Mr. KENNEDY. Approximately?

Mr. HOOK. Around 1949 or 1950.

Mr. KENNEDY. Mr. Keating had been an officer from 1942 or 1943?

Mr. HOOK. Around 1940, I believe, is when Mr. Keating was brought out there and given to us.

Mr. KENNEDY. He was brought out there and given to you?

Mr. HOOK. Yes, sir.

Mr. KENNEDY. Who gave him to you at that time?

Mr. HOOK. Mr. James R. Hoffa.

Mr. KENNEDY. Mr. Hoffa took over the union and put Mr. Keating in?

Mr. HOOK. That is right.

Mr. KENNEDY. And Mr. Keating remained in that position; is that right?

Mr. HOOK. That is right, sir.

Mr. KENNEDY. He remained in that position until what happened to him?

Mr. HOOK. Until he was indicted.

Mr. KENNEDY. And he was indicted for extortion?

Mr. HOOK. I believe it was extortion. Conspiracy to extort.

Mr. KENNEDY. Conspiracy to extort?

Mr. HOOK. Yes, sir.

Mr. KENNEDY. He and Mr. Lintean?

Mr. HOOK. Yes, sir.

Mr. KENNEDY. They were subsequently convicted?

Mr. HOOK. Yes. They plead guilty to the charges.

Mr. KENNEDY. Mr. Marosso was involved in that, also?

Mr. HOOK. Samuel Marosso; yes, sir.

Mr. KENNEDY. What was his position?

Mr. HOOK. I think he was the business agent at one time for 614, but he was out of Detroit most of the time.

Mr. KENNEDY. Mr. Licoletti was also involved in that extortion?

Mr. HOOK. Out of Detroit; yes, sir.

Mr. KENNEDY. Was Mr. Fitzsimmons also involved in that?

Mr. HOOK. Yes, sir.

Mr. KENNEDY. Everybody but Mr. Fitzsimmons was found guilty. They dismissed the indictment?

Mr. HOOK. I believe they dismissed the charges against Mr. Fitzsimmons.

Mr. KENNEDY. That was after Mr. Marosso, Mr. Keating, and Mr. Lintean plead guilty?

Mr. HOOK. And I believe Mr. Buffalino was involved in there, too?

Mr. KENNEDY. He was involved in a different matter?

Mr. HOOK. Yes, sir.

Mr. KENNEDY. When did your difficulties with the local officials begin?

Mr. HOOK. Our first difficulties——

Mr. KENNEDY. You are the spokesman for a group of members?

Mr. HOOK. That is right.

Mr. KENNEDY. When did your difficulties begin with the local?

Mr. HOOK. Our first difficulties began right after World War II in 1946. A group of the rank and file who had been lessors, that is we owned our own equipment during the war, and we went to the union hall because we found out when we went back after the war to haul we were not supposed to own our own equipment. The union had made a ruling that if you do not own your own equipment, if you didn't own your own equipment before the war, you could not own it afterward. So a lot of the rank and file that had hold of the goods during the war were eliminated from being able to go ahead and work their truck even if the employer desired it—to haul automobiles and freight.

Mr. KENNEDY. So you had some difficulty——

Mr. HOOK. That was our first difficulty, that I can recall.

Mr. KENNEDY. Did the difficulty then continue until 1954?

Mr. HOOK. It started to continue right then. That is right, sir.

Mr. KENNEDY. Were there attempts to get rid of you, get you out of the local?

Mr. HOOK. Well, they got rid of me. The attempts came a little later than that. It came after I had been union steward for approximately 2 years. The first year I was union steward our contract had been violated time and again, and I went down to the local union hall with the elected committee and we tried to get some grievances settled and Mr. Keating would rule against us. We would take it to the joint council in Detroit and we won our grievances. Our man was put back to work and paid if he had been fired.

I believe there was one case we lost in a year and a half. But after 1952, February of 1952, until I was fired in 1954, in January, we did not win nothing. No grievances at all.

Mr. KENNEDY. What was the reason for that?

Mr. HOOK. We just don't know, the rank and file. All is what we believe. Things that went into that contract that were supposed to benefit the rank and file but it just wasn't doing it because the contract was not carried out like it should have been.

Mr. KENNEDY. The contract was not being enforced?

Mr. HOOK. That is right.

Mr. KENNEDY. Mr. Keating and Mr. Lintean and his colleagues were not enforcing the contract?

Mr. HOOK. And Mr. Hoffa, also.

Mr. KENNEDY. Was there opposition among the members of the union to these officials?

Mr. HOOK. That is right.

Mr. KENNEDY. Did you attempt to find out from the officials of the use of union funds and an examination of the books?

Mr. HOOK. We did not know, not at that time.

Mr. KENNEDY. Did you go down and see him?

Mr. HOOK. We thought we would eliminate all of that if we could just have an election.

Mr. KENNEDY. But you were not able to have an election?

Mr. HOOK. No.

Mr. KENNEDY. Did you go down and talk to Mr. Hoffa about having an election?

Mr. HOOK. Yes; we did.

Mr. KENNEDY. What brought about that?

Mr. HOOK. I and 10 men. I called Mr. Hoffa long distance from Mendon, Mich., and asked for an appointment. I got the appointment. I took 10 rank and file members with me from different companies.

Mr. KENNEDY. Why did you go down at that time? What information did you receive?

Mr. HOOK. One of the union stewards from another company—a union steward from another company—had been opposing Mr. Keating at the same time I was, had came to me with some evidence that we believed should be given to the courts and we believed that was the reason that our contract was not being enforced.

Mr. KENNEDY. What sort of evidence did he have?

Mr. HOOK. That was the evidence, part of it, that came out against Mr. Keating.

Mr. KENNEDY. What sort of evidence? What had he learned?

Mr. HOOK. Some payoffs from his employer is what the evidence was at the time.

Mr. KENNEDY. This was what you had suspected from some of your employers; is that right?

Mr. HOOK. Yes. I don't believe my employer, they were guilty of the payoffs. They were guilty of coercion between them and the union, certain privileges the company was allowed to do or the union allowed them to do. The owner of our company, I believe he carried the first insurance that went into the contract, the health and welfare insurance. That is Ralph C. Wilson Agency. He owned the company I drove for. He was an insurance agency for Continental Insurance. There was some things that would happen there that we could not get grievances settled. I don't believe there was no payoff, not from our employer at Motorcar, but there was some business transactions that came about and through the good friendship of our garage superintendent and Mr. Lintean, we just could not get anything done at our local hall in favor of the rank and file according to contract.

Mr. KENNEDY. You could not get anything done for the membership and some of your fellow stewards were also having difficulty with their employers; is that right?

Mr. HOOK. Yes, sir.

Mr. KENNEDY. One of your steward friends came to you and said that he thought he had some information. He learned that there had been some payments from his employer to Mr. Keating; is that right?

Mr. HOOK. Yes, sir.

Mr. KENNEDY. So you thought that the best way to handle it was to go down to see Mr. Hoffa personally?

Mr. HOOK. We did, sir.

Mr. KENNEDY. You went down to see Mr. Hoffa?

Mr. HOOK. Yes, sir.

Mr. KENNEDY. About 10 of you went down?

Mr. HOOK. Ten of us went down.

Mr. KENNEDY. What transpired at that meeting?

Mr. Hook. We did not tell Mr. Hoffa of the evidence we had. We just told him we wanted an election in local 614. He asked us why. We told him we believed our president was crooked and we wanted an election to remove him. He said, "He isn't crooked. There will be no election, and if you fight me, you will never get an election." That was the very words that James R. Hoffa told to me and 10 other members. We haven't had an election up to this date.

Mr. KENNEDY. So what did you tell him?

Mr. Hook. I told him we was going to fight, and we have ever since.

Mr. KENNEDY. You went back up to Pontiac?

Mr. Hook. I was still working. I went back to Pontiac. We started having meetings. We would rent our own halls. We had two to three hundred members present at different times. The union officials came out. They were not invited. Mr. Hoffa came from Detroit to Pontiac with 70 or 80 men. We finally let Mr. Hoffa in to attend our meeting, but no one else. Mr. Keating was president, though he had been indicted. He was still present with a goon squad, as we called them, that came from Detroit to take over our meeting. We allowed Mr. Hoffa to enter the meeting. We reserved a chair for him, and we let him sit and listen to our meeting. At the end of the meeting Mr. Hoffa wanted to speak. Maybe we were bad, but we figured we had listened to him at the union hall for so many years we just didn't let him talk. We told him he would have to wait until he got back down to the union hall.

Mr. KENNEDY. So you made him listen to you that time.

Mr. Hook. He listened to our boys.

Mr. KENNEDY. During this period of time Mr. Keating was indicted. He had been indicted for this extortion.

Mr. Hook. Yes.

Mr. KENNEDY. And Mr. Lintean had also?

Mr. Hook. Yes, sir.

Mr. KENNEDY. But they were still running the union?

Mr. Hook. They were suspended as officials and they turned right around and Mr. Hoffa put them back in as business agents.

Mr. KENNEDY. He put them back in as business agents?

Mr. Hook. That is right.

Mr. KENNEDY. They were suspended from their jobs and Mr. Hoffa took them and put them back into the union?

Mr. Hook. That is right.

Mr. KENNEDY. Who suspended them?

Mr. Hook. I believe—

Mr. KENNEDY. The international?

Mr. Hook. I believe Mr. Hoffa asked the international to suspend them. I believe that is the way it was.

Mr. KENNEDY. The international took the action?

Mr. Hook. The international took the action.

Senator MUNDT. At that stage did they place you under a trusteeship?

Mr. Hook. I forget who the gentlemen was that came out from the international and we had a meeting and Mr. Hoffa was made our trustee.

Senator MUNDT. Then in his capacity as trustee he took the two suspended officers and made them business agents.

Mr. Hook. Business agents; right, sir.

Senator MUNDT. So you wound up with the same people in control that you had before.

Mr. Hook. That is right, sir.

Mr. KENNEDY. Did you make any progress with your complaints against the local?

Mr. Hook. Progress with who, Mr. Kennedy?

Mr. KENNEDY. With the international, with Jimmy Hoffa? Did you make any progress at all?

Mr. Hook. We had approximately eleven to twelve hundred men that signed petitions. We sent them to Mr. Beck, as president of the teamsters, asking for the trusteeship to be lifted, and that we could hold an election. He acknowledged receipt of the petitions, and that is the last we heard from him.

Mr. KENNEDY. That is 1,200 people that signed a petition out of how many?

Mr. Hook. Eleven to twelve hundred people signed out of 2,000.

Mr. KENNEDY. You sent that petition in requesting an election, and still the election was not held?

Mr. Hook. That is right.

Mr. KENNEDY. When did you send that petition in?

Mr. Hook. It was shortly after Mr. Keating was made business agent for us. Shortly after he was indicted.

Mr. KENNEDY. 1953?

Mr. Hook. Yes; it was in 1953.

Mr. KENNEDY. Did you have any personal difficulties?

Mr. Hook. I believe it was the latter part of 1953. Did I have any personal difficulties?

Mr. KENNEDY. Yes.

Mr. Hook. Only that union officials, whenever I was out on a trip, they would park maybe a couple of their cars by the side of my home at Lake Orion, Mich., where I was living at the time. They were business agents. The boys at the Motorcar Garage informed me of it. My wife had kept it from me. They never did this when I was in from a trip; always when I was out of town. They would follow us when I was in town, 2 and 3 cars at a time, all over the city. That happened when I was with 4 to 8 members of the rank and file; 2 and 3 carloads of union officials, which Mr. Hoffa had sent to Pontiac, they would follow us all over the city of Pontiac. In fact, I slipped out of one of the cars and called the chief of police and told him what was going on, and I had been subpoenaed in front of Judge Coolihan at the time. I told him what was going on. He sent a squad car out. He didn't work it just right. They turned off just as the squad car had gotten with us—they were a half block behind us—they turned off at the next corner. They stopped that practice.

Mr. KENNEDY. You say when you were out of town there were some cars parked next to your house?

Mr. Hook. Yes; that is right. There is a grocery store next to my home, and they would park in front of the grocery store up to 2 o'clock in the morning every night.

Mr. KENNEDY. Did that have any effect on your wife?

Mr. Hook. It did on my wife. She came close to a mental breakdown and that is why she went back to Indiana.

Mr. KENNEDY. That is why she went back to Indiana?

Mr. Hook. Yes.

Mr. KENNEDY. Did you get any further with Mr. Hoffa in your attempts?

Mr. Hook. No, sir.

Mr. KENNEDY. They didn't have an election?

Mr. Hook. No, sir.

Mr. KENNEDY. Then did you lose your job?

Mr. Hook. I lost my job January 25. Would you care to know how that came about?

Mr. KENNEDY. Yes.

Mr. Hook. I had driven for years at Motorcar Transport. I believe I had one minor charge of an accident in 12 or 13 years. I had citations from the insurance company 5 and 6 years at a time. All of a sudden the company started putting governors on the trucks, a company piece of equipment. They put the governors on the motors. The governors were governed—well, they claimed it was not for speed. It was because they claimed the rank and file was racing the motors of the trucks at low speed. So they put the governors on. Out of 125 to 175 trucks I was about the sixth truck to acquire a governor. I made two trips with the governor on.

Mr. KENNEDY. The governor you say was not for the purpose of controlling your speed?

Mr. Hook. No. The speed was set up. Mr. Hoffa took the stand with the company when we opposed this governor deal—Mr. Hoffa told the company that they must set the speed high enough so that when we pulled out on the highway our trucks would not cut out in front of traffic. It would endanger the lives of the drivers. So what happened? The governors were not bothering any of the drivers from speed. They could go down the road at 40 or 45 miles an hour, and everything was all right. I pulled two trips. I parked my truck in the company yard. You go in and make out your report on your truck, your service report. You go in the office and pick your load and you go home. You have so many hours off. We knew what the schedule was. Then you come back and you load up and take off. I parked my truck approximately 2 hours when I was called to the phone by 1 of the drivers and informed that the company had pulled my truck into the garage and upon lifting the hood found my governor had been tampered with. I was informed by Mr. Patterson of Motorcar Transport. He would not tell me I was fired. He just said I wasn't to go out on a run.

After 2 days I demanded that he either fire me or put me to work. I informed the local union. They said they was trying to get in touch with Mr. Hoffa. On the 27th of January, Mr. Hoffa sent a telegram saying that he would handle the matter personally, to meet him the next morning. He did not come out to Pontiac and he carried out the contract as far as trying to put me back to work as far as the contract was carried out.

Mr. KENNEDY. What occurred?

Mr. Hook. They had a vote on it in Pontiac. It was tied. It went to the joint council. It was tied again. Then there was an arbitrator selected. The arbitrator, Mr. Hoffa, I was there, I seen it happen, you can take it for what it is worth, Mr. Hoffa proceeded

to take the arbitrator into his private office on Trumbull Avenue, they talk for approximately an hour, they come out and we went into the meeting. When the meeting was over, I was informed that according to the contract they would let me know what happened. According to the contract I believe they had 2 weeks—I believe it is 2 weeks—before I was notified that the arbitrator had ruled in favor of the company.

Mr. KENNEDY. You were out of your job, then?

Mr. Hook. I was out of my job.

Mr. KENNEDY. Did you hear of anybody else losing their job over the governor being disconnected?

Mr. Hook. The same night my truck was pulled into the garage, the boy that called me, the member that called me and told me about it, three governors was intentionally clipped and nobody——

Mr. KENNEDY. For what reason was that?

Mr. Hook. Because the boys felt that I was framed because of my stand against the teamster present union officials. They didn't want to see me fired. Somebody thought if they clipped a lot of governors they could not fire a bunch of us. They clipped governors and I did not even know this at the time. Nothing was mentioned at that time.

Mr. KENNEDY. No action was taken against anybody but you?

Mr. Hook. No action was taken against anybody but myself.

Mr. KENNEDY. What about the other leaders of this group that was in opposition to Mr. Keating and Mr. Lintean who had been indicted for extortion? What happened to them?

Mr. Hook. The first man was on my committee from the company. He made a run into Chicago. He hit an underpass on a detour. The same night two more drivers on the same detour had hit the same underpass. Mr. Robert Godfrey was fired. He was the member that had chaired the meeting and refused to let Mr. Hoffa talk previous to this. He was fired.

Mr. KENNEDY. What about the others?

Mr. Hook. There was another man—that was all for Motorcar.

Mr. KENNEDY. I mean the ones that hit the underpass?

Mr. Hook. They were not fired.

Mr. KENNEDY. He was the only one that was fired?

Mr. Hook. He was the only one that was fired that hit the underpass.

Mr. KENNEDY. He was one of the leaders in your group?

Mr. Hook. That is right. He chaired the meeting the day we let Mr. Hoffa come into the meeting.

Mr. KENNEDY. What of the others that were opposed to Mr. Keating and Lintean?

Mr. Hook. They were fired also. One was Charles Grimm.

Mr. KENNEDY. Was he fired?

Mr. Hook. He was fired. He was fired—and I would like to tell you this quick—on a log book violation. I believe you understand what a log book is. You can drive so many hours, you must take so many hours off. The company after they fired Mr. Godfrey and myself, and we still had not struck or had not caused the strike—we did not let the boys strike.

Mr. KENNEDY. Did your members want to strike?

Mr. HOOK. Yes. Some got mad at me because I would not let them strike.

Mr. KENNEDY. They wanted to strike because you got fired.

Mr. HOOK. That is right. I would not allow it. I said this is what happened in Flint, and Mr. Hoffa put his fleet of trucks to work. I said, "Boys, don't strike. Let us see if we can do it legal."

Mr. KENNEDY. What do you mean, his fleet of trucks to work?

Mr. HOOK. There was what Mr. Hoffa called a wildcat strike while he was supposedly negotiating a contract with the automobile carriers, and the boys in Flint were supposed to have called this strike without Mr. Hoffa's knowledge. They were all at that time fired. They all went back to work, but the leaders. Those leaders—and they worked at that time for Commercial Carriers, Inc.—they were not allowed to return to work.

Mr. KENNEDY. That was at the same time that the officials of Commercial Carriers set up a company for Mr. Hoffa.

Mr. HOOK. I believe they called it Test Fleet Corp.

Mr. KENNEDY. They set up this company which was to carry automobiles?

Mr. HOOK. Yes, sir, and these drivers owned their own equipment in Commercial Carriers at the time, and they never lost any time. Mr. Hoffa's truck, or we will say his wife's trucks, went to Flint to haul automobiles, immediately.

Mr. KENNEDY. And you were afraid that if they struck, if your members of the union up there struck against the leadership in Pontiac, the same thing would happen?

Mr. HOOK. That is right.

Mr. KENNEDY. They would all be fired?

Mr. HOOK. That is right.

The CHAIRMAN. I thought you stated a few moments ago that the rank and file members were denied the right to own their own trucks.

Mr. HOOK. That was years back, Senator McClellan. That was in 1946. They changed that ruling after they had opposition.

The CHAIRMAN. What I was trying to ascertain was whether that rule prevailed at the time that Mr. Hoffa organized the Test Fleet Corp.

Mr. HOOK. No; for some reason they changed that ruling, and even put it into the contract.

The CHAIRMAN. So that you can own the trucks now?

Mr. HOOK. Yes; we can own them, and outsiders can own, also.

Mr. KENNEDY. Now, you were telling us about what happened to one of the opposition group in connection with the logbook situation.

Mr. HOOK. Charles Grimm. I believe there were quite a few fired after that for logbook violations. There has been a time, we were allowed to pull trips without even putting them in our logbook. Then they started using a logbook. Our trips were set up so many hours driving, and so many hours off duty. But we were allowed for years to come into our terminal and if we had a lot of automobiles that had to be removed we were allowed to take those cars out. In fact, there have been drivers that said, "I am out of hours," and they have thrown another logbook out the window to use, but I guess someone got on them for that, and then they started cracking down. But they would only fire the men they wanted to, on violation of a logbook. Today they still operate as they always have.

Mr. KENNEDY. Did you have any other meetings with Mr. Hoffa, other than the one in his office, the one when he came up to attend your rank and file meeting in Pontiac? Did you see Mr. Hoffa on any other occasion?

Mr. Hook. Only the last time I talked with Mr. Hoffa was during that time, when he came out there to negotiate to put me back to work.

Mr. KENNEDY. That was the only time?

Mr. Hook. I believe that was the last time.

Mr. KENNEDY. Mr. Hoffa mentioned this situation in Pontiac, when he testified before, and he said that his policies out there are supported by the vast majority of the members of the local, and that they have had meetings out there and large numbers have come, and they have liked the way the situation is. Can you tell us anything about that?

Mr. Hook. I sure can. One night we sat in front of the union hall on Telegraph Road, and Mr. Hoffa was trying to get a vote of confidence from the local. There was approximately 50 members that went into that local union hall. But the next day it came out in the paper that around 200 or 250 voted to give Mr. Hoffa a vote of confidence.

I am here to say right now that the rank and file will never give Mr. Hoffa a vote of confidence, not when it comes from the majority. He can pick a few handpicked union stewards, people that they have created privileges for at different companies, and they will come down and give him a vote of confidence, that is right. But you take a general meeting, which they have not had, an overall general meeting with everybody invited and which we have asked for even before I was fired, and they will not give you that meeting, because they fear that kind of a meeting.

Mr. KENNEDY. Do you think that is the general setup? Are you reflecting the feeling of your local people?

Mr. Hook. I can say it from my local, but I have also talked to rank and file in Indianapolis, and I have talked to them, and they have come from Cincinnati right up to Pontiac, where they had trouble down there with Hoffa in Cincinnati, and they have come up there also. And they thought we were winning out and they wanted to know what we could do to help them.

Mr. KENNEDY. But you say your membership is opposed rather than supports him?

Mr. Hook. The majority of the membership. If they were only given a chance to clean house, they would clean the bad element out of the teamsters, but they cannot be given a chance under the present constitution.

Mr. KENNEDY. Do you know anything about the voting for delegates in the Pontiac local?

Mr. Hook. Yes; I do. In the last convention, I believe it was held in San Francisco, or Los Angeles, I believe, there was a union meeting of local 614, Pontiac, and I was present. One of our rank and file members asked Mr. Keating, "When do we have the election for the delegates to the convention?" And Mr. Keating arose to the floor, and he said, "What are you trying to do, start trouble?"

I would rather not give the name of that man unless I have to, but he was right by my side when he asked Mr. Keating that. He said, "We have already had the election" and we asked him "We?" And he said the bulletins were posted all over town, but there were none there.

The CHAIRMAN. They do not comply with their own constitution?

Mr. Hook. They do not comply with their own constitution, only when it will benefit at their own interpretation of it, to help themselves out and to keep themselves in office. That is the truth of it, and I am speaking for plenty of rank and file members. It is not just my feelings.

Mr. KENNEDY. Mr. Hoffa has also stated in addition to supporting Mr. Keating and Mr. Lintean during this early period of time on the extortion, he has also stated that the treasury of your Pontiac local is in very good shape, and it has got thousands and thousands of dollars.

Mr. Hook. It should be, Mr. Kennedy. At \$5 a month, with a couple of thousand or even 1,500, we will take the lowest figure, going into the local treasury, it should be well supplied. But what the rank and file from Pontiac does not understand was when Mr. Hoffa took over as trustee, he said our local treasury was broke.

Mr. KENNEDY. He said it had \$300 in it.

Mr. Hook. But Mr. Hoffa's man, Daniel J. Keating, had been in there for 13 years, and the dues had been risen from \$2 a month to \$5 a month, and why should it be broke? If the trusteeship can take over in such a short period of time and get so much money in the treasury, why in 13½ years should it be broke with Mr. Lintean and Mr. Keating, and the rank and file would like to know that answer.

Mr. KENNEDY. Have you ever had an opportunity to examine the books and records?

Mr. Hook. Since the trusteeship, I believe they post a financial statement.

Mr. KENNEDY. But, prior to that time?

Mr. Hook. No, sir; and we have asked to see it and been turned down.

Mr. KENNEDY. Do you have any suggestions on how to deal with this matter?

Mr. Hook. Yes; I do. I don't know whether this is the place to say it, but I believe it is.

The CHAIRMAN. Let us try it. Go ahead.

Mr. Hook. I believe the majority of the rank and file members are not violent people, but I believe the majority of the rank and file members would vote to help put any bill through Congress if given the opportunity to control the dues. If our dues are controlled, some of these people cannot get so rich so quick.

If our dues keep going up, they are going to get rich that much quicker. I know that we would like to have some labor legislation, not to kill the unions, and I believe in organized labor, and the people that sent me here they believe in it, but only when we find a union official, if he has been convicted of being a crook, we should have a law that says we can vote to remove him.

The CHAIRMAN. You would like to have elections, too, would you not?

Mr. HOOK. That would do it. If we had the election, we could remove them. They wouldn't ever be in all this trouble if they had given us some elections a few years ago. Not even Mr. James Hoffa, they wouldn't have been in this trouble.

The CHAIRMAN. You think you would have gotten rid of them before now?

Mr. HOOK. Absolutely.

Senator McNAMARA. You say that you represent some people, and they sent you here. Who are you talking about?

Mr. HOOK. I am talking about members of the rank and file of local 614, Pontiac, Mich., that have been opposing the methods of Daniel J. Keating and James R. Hoffa, and the way they have run our local union.

Senator McNAMARA. You are here as their representative?

Mr. HOOK. I am here on behalf of the people that have had guts enough to stand up and oppose them.

Senator McNAMARA. They selected you to come down here and testify?

Mr. HOOK. That is right.

Senator McNAMARA. I wanted the record to show that.

The CHAIRMAN. Is there anything further? Is there anything further you have in mind, since you are representing some group, if we have not asked you all of the questions? If you have anything else, you may state it.

Mr. HOOK. I think that I have covered about all of it.

The CHAIRMAN. Thank you very much, sir.

Mr. KENNEDY. You just never have been able to get back into the teamsters; is that right?

Mr. HOOK. That is right. I have never been able to get back in. But I don't want in until we have a chance to clean it up.

Mr. KENNEDY. You wouldn't go back in under the present circumstances?

Mr. HOOK. Not the way it is today. But a good union, yes, or the right to help clean it up, yes, gladly.

The CHAIRMAN. Thank you very much.

Who is the next witness?

Mr. KENNEDY. Mr. Daniel Keating.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. KEATING. I do.

TESTIMONY OF DANIEL J. KEATING, ACCOMPANIED BY HIS COUNSEL, BENEDICT F. FITZGERALD, JR.

The CHAIRMAN. Mr. Keating, state your name, and your place of residence, and your business or occupation, please, sir.

Mr. KEATING. Daniel J. Keating, born in County Caffin, Ireland, living at Beachwood, Iron County, Post Office Box 64; no occupation at the present time.

The CHAIRMAN. What is your past occupation?

Mr. KEATING. President and business agent of 614.

The CHAIRMAN. All right. You have counsel to represent you?

Mr. KEATING. Yes, sir; I do.

The CHAIRMAN. Counsel, will you identify yourself for the record, please, sir?

Mr. FITZGERALD. My name is Benedict F. Fitzgerald, Jr., attorney at law, member of the bar of the District of Columbia and the Commonwealth of Massachusetts, with offices at suite 1152, National Press Building, Washington, D. C.

The CHAIRMAN. Thank you very much.

Mr. KENNEDY. You were head of the local in Pontiac for some 10 or 12 years?

Mr. FITZGERALD. If I may interrupt, as counsel, I would like to enter an objection at this time. I would like to object for the protection of my client. I want to make a general objection, a short one, to the interrogation of my client by this committee, by only two members of this committee, the gentleman from Arkansas and another gentleman.

The CHAIRMAN. The gentleman from Michigan.

Mr. FITZGERALD. I do not note the presence of any Republican members, and I think that the spirit of due process, particularly the 5th and 14th amendments, ought to give us a better shake than to just have two members here. I am mindful of your section 3 of your local rules, which state that a quorum of two is sufficient, but I think that is unconstitutional and not in a true spirit.

The CHAIRMAN. Your protest is entered on the ground that 2 do not constitute a quorum, and it is unconstitutional, and the rule is unconstitutional which provides for 2 as a quorum for the purpose of taking testimony. The protest is entered and the protest is overruled.

Mr. FITZGERALD. I want to make a protest for the protection of my client, with, of course, continued respect to the gentleman from Arkansas and the chairman of the committee, and I also want to object to the forceful summoning of my client and his being brought before this committee and forcing him to testify before television, radio, microphones, and movie cameras, flashing flashbulbs, and other procedures on the general ground that they are violative of the Constitution of the United States and particularly of the fifth and eighth amendments to the Constitution.

The CHAIRMAN. Under the rule, if there is any objection to the flashbulbs taking the pictures while the witness is testifying—just a moment, please—the Chair, upon request will have the flashbulb picture takers to desist. Insofar as lights are concerned, I don't know that it is unconstitutional for things to be done in the light of day or in the light of light. That part of the request will be denied.

Mr. FITZGERALD. I want to, also, make a general objection, again with the utter respect to the gentleman from Arkansas, but I want to make a motion at this time to disqualify the gentleman from Arkansas on the grounds of bias and prejudice, and I want to assert the chairman of a violation of due process.

This, again, is pertinent at this point, with particular reference to the 14th amendment. I feel that this is not an impartial tribunal, and the gentleman from Arkansas and the counsel have disqualified themselves by the formation of preconceived conclusion, threats, and statements to the press and to the public relative to the aim and purpose of this committee.

I feel that, in protecting my client, I ought to put that in the record.

The CHAIRMAN. The Chair has heard the motion of counsel, and the Chair overrules the motion of counsel. The Chair may have some opinions and some views, but whatever they are will have to be resolved in recommendations of this committee under the orders and directions of the United States Senate, after conferences and collaboration with my colleagues on the committee. For the present and for this hearing, the Chair stands qualified. We will proceed.

Mr. FITZGERALD. And with one further and last objection, if the Chair please, I want to make a general objection to the calling of this particular client of mine, one of several who are being called, on the ground of pertinency and remoteness of subject, and the depth of detail which has been planned and has been announced to the press in advance. I feel that there is no basis of any legislative action in calling this client, because he isn't associated with the teamsters at the present time and has not been for the last 2 years. Thank you. That is all I have to say about general objection.

The CHAIRMAN. Thank you, sir. You have your headlines, and now we will proceed.

Mr. KENNEDY. Mr. Keating, regarding Mr. Fitzgerald's statement before this committee that you have not been connected with the teamsters for the last 2 years, isn't it true that you and your family have received compensation from the teamsters during the period of the past 2 years?

(The witness conferred with his counsel.)

Mr. KENNEDY. Now, Mr. Fitzgerald made that statement before this committee. Do you want to back him up?

Mr. KEATING. I respectfully refuse to answer upon the advice of counsel and on the ground that any answer might tend to incriminate me.

Mr. KENNEDY. A truthful answer or any answer?

Mr. KEATING. Any answer.

The CHAIRMAN. Let us have order. Proceed.

Mr. KENNEDY. Have you been on the payroll of the teamsters since you were convicted of extortion, Mr. Keating?

Mr. KEATING. I refuse to answer on the same grounds as stated before.

Mr. KENNEDY. Were your legal fees during the trial, during the period of time, were they paid for out of teamsters funds?

Mr. KEATING. I refuse to answer on the same grounds.

Mr. KENNEDY. Now, you were indicted and convicted for extortion, and were your legal fees paid out of teamsters funds, Mr. Keating?

(The witness conferred with his counsel.)

Mr. KEATING. The same answer.

The CHAIRMAN. You will have to repeat the answer. "The same answer" does not mean anything.

Mr. KEATING. I respectfully refuse to answer upon the advice of counsel and on the grounds that any answer might tend to incriminate me, and cause me to waive my rights as announced by counsel.

Mr. KENNEDY. Mr. Keating, according to the information that we have, you were a very close associate of Mr. Hoffa during the 1940's and 1950's and in fact you handled the financing for the building of his home. Could you tell the committee about that?

Mr. KEATING. I respectfully refuse to answer upon the advice of counsel, under the ground that any answer might tend to incriminate me.

Mr. KENNEDY. Now, the sum of \$12,000 as I understand it went through your hands for the building of his home. Could you tell the committee, that was all handled in the form of cash, could you tell the committee where you got that money?

Mr. KEATING. I respectfully refuse to answer on the ground as stated before.

Mr. KENNEDY. Now, when the trusteeship was put into the local in 1953 after you had been president some 10 or 12 years, when the trusteeship took over, according to Mr. Hoffa, there was only \$300 left of union funds. Could you tell the committee what you did with all the rest of the money?

Mr. KEATING. I respectfully refuse to answer on the ground as stated before.

Mr. KENNEDY. Could you tell the committee when you last talked to Mr. Hoffa?

Mr. KEATING. I refuse to answer on the grounds as stated before.

Mr. KENNEDY. Do you know Mr. Hoffa?

The CHAIRMAN. I do not care about the ground stated before. Each question must be answered.

Mr. KEATING. I respectfully refuse to answer upon the advice of counsel, and on the grounds that any answer might tend to incriminate me and cause me to waive my rights as announced by counsel.

Mr. KENNEDY. Now, Mrs. Keating does not work for the local union; does she?

Mr. KEATING. I refuse respectfully to answer upon the advice of counsel on the grounds that any answer might tend to incriminate me and cause me to waive my rights as announced by counsel.

The CHAIRMAN. Mr. Keating, may I suggest to you, I am sure you realize that we have this information that we can prove by other witnesses that you have been drawing money from the union, and your wife has been drawing money from the union during this period of time while you were in the penitentiary. Do you want to sit there and keep making that answer? Do you want us to prove it by other witnesses?

Mr. KEATING. I respectfully refuse to answer upon the advice of counsel on the grounds that any answer might tend to incriminate me, and cause me to waive my rights as announced by counsel.

Mr. KENNEDY. According to the testimony before the Hoffman committee, there were certain books and records of local 614 that were destroyed just prior to the time that Mr. Hoffman called certain witnesses. Could you tell the committee whether you destroyed those records?

Mr. KEATING. I respectfully refuse to answer upon the advice of counsel on the grounds that any answer might tend to incriminate me, and cause me to waive my rights as announced by counsel.

Mr. KENNEDY. Isn't it a fact that although Mr. Hoffa testified before the Hoffman committee that those records had been destroyed, that they were in fact in existence during that period of time?

Mr. KEATING. I respectfully refuse to answer on the advice of counsel, and on the grounds that any answer might tend to incriminate me and cause me to waive my rights as announced by counsel.

The CHAIRMAN. Take that book down. This happens to be serious business here. Proceed.

Mr. KENNEDY. Weren't you in fact instructed to destroy the records, Mr. Keating?

Mr. KEATING. I respectfully refuse to answer upon the advice of counsel and on the grounds that my answer might tend to incriminate me, and cause me to waive my rights as announced by counsel.

Mr. KENNEDY. Mr. Chairman, we are not progressing very far with this witness, as far as learning any new information, and we have some information regarding some of these matters that we could put into evidence at this time.

The CHAIRMAN. Let me ask Mr. Keating a question or two.

Mr. Keating, you were in charge of that union, that local 614 out of Pontiac, Mich., for quite a number of years, some 13 or 14 years, is that correct?

Mr. KEATING. I respectfully refuse to answer upon the advice of counsel and on the grounds that my answer might tend to incriminate me, and cause me to waive my rights as announced by counsel.

The CHAIRMAN. What is there about associating with a legitimate union that would tend to incriminate you?

Mr. KEATING. I respectfully refuse to answer upon the advice of counsel and on the grounds that any answer might tend to incriminate me, and cause me to waive my rights as announced by counsel.

The CHAIRMAN. You do not mean the fact that you may have held office in that union would tend to incriminate you? The mere fact that you did that? But what you are saying is rather that if you told the truth about how you operated the union, that those facts and the truth might tend to incriminate you; is that correct?

Mr. KEATING. I respectfully refuse to answer upon the advice of counsel and on the grounds that any answer might tend to incriminate me, and cause me to waive my rights as announced by counsel.

The CHAIRMAN. Do you feel any obligation, any duty, any sense of responsibility to the men who work for their families and who paid their dues to support you while you pretended to serve them as their officer and as their leader? Do you feel any sense of obligation whatsoever to give an accounting to them of your stewardship?

Mr. KEATING. I respectfully refuse to answer upon the advice of counsel and on the grounds that any answer might tend to incriminate me and cause me to waive my rights as announced by counsel.

The CHAIRMAN. I am sure you will agree with me on this, that under such circumstances there is a cleanup job to be done in that union, is there not?

Mr. KEATING. I respectfully refuse to answer upon the advice of counsel and on the grounds that any answer might tend to incriminate me and cause me to waive my rights as announced by counsel.

The CHAIRMAN. Could you make any suggestions to us for legislation that might do a little housecleaning?

Mr. KEATING. I respectfully refuse to answer upon the advice of counsel on the grounds that any answer might tend to incriminate me and cause me to waive my rights as announced by counsel.

The CHAIRMAN. Mr. Kennedy, I suggest that you put on the witnesses with other testimony and we will retain Mr. Keating here and let him hear it and give him an opportunity to refute it if it is untrue.

Mr. KENNEDY. Mr. Chairman, I think Mr. Lintean could perhaps throw some light on it before we put the staff investigator on. So I would like to call Mr. Lintean.

The CHAIRMAN. All right. Mr. Keating, you may step aside temporarily and hold yourself in readiness to return to the stand.

Mr. Lintean, come around, sir. You do solemnly swear that the evidence you shall give before this Senate Select Committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. LINTEAU. I do.

TESTIMONY OF LOUIS CLARK LINTEAU

The CHAIRMAN. Be seated. State your name, your place of residence, and your business or occupation.

Mr. LINTEAU. Louis Clark—

Mr. FITZGERALD. Pardon me again. With all respect to the chairman, I would like to renew my objections that I had renewed before as counsel for Mr. Lintean.

The CHAIRMAN. Just one moment. Each objection made by counsel on behalf of the preceding witness, all motions that he made on behalf of the preceding witness, let the record show, are renewed on behalf of Mr. Lintean, and the same rulings by the Chair. Proceed.

Mr. KENNEDY. What is your address, Mr. Lintean?

Mr. LINTEAU. My full name is Louis Clark Lintean, 614 East Tennyson Street, Pontiac, Mich.

Mr. KENNEDY. And you were with the teamsters during what period of time?

Mr. LINTEAU. This is from memory. I have no records to go by.

Mr. KENNEDY. You have no records at all?

Mr. LINTEAU. No, I have no records; 1945 until 1954, I believe, October 11.

Mr. KENNEDY. October of 1954?

Mr. LINTEAU. I believe it is October.

Mr. KENNEDY. And at that time you went to jail, is that right?

Mr. LINTEAU. That is right.

Mr. KENNEDY. For this extortion?

Mr. LINTEAU. No.

Mr. KENNEDY. For what?

Mr. LINTEAU. I pleaded to a lesser charge.

Mr. KENNEDY. What was the lesser charge?

Mr. LINTEAU. Receiving gratuities.

Mr. KENNEDY. Receiving gratuities?

Mr. LINTEAU. Yes, sir.

Mr. KENNEDY. You went to jail for how long?

Mr. LINTEAU. Four and a half months.

Mr. KENNEDY. What position did you hold in the local at that time?

Mr. LINTEAU. At that time I was secretary-treasurer, teamsters local 614.

Mr. KENNEDY. Who did you have representing you in that trial?

Mr. LINTEAU. Who did I have representing me?

Mr. KENNEDY. Yes.

Mr. LINTEAU. There were several lawyers. I believe I had Mr. James Haggerty, Mr. Daner, that is all I can recall.

Mr. KENNEDY. Who paid the fees for those attorneys?

Mr. LINTEAU. Who paid the fees?

Mr. KENNEDY. Yes.

Mr. LINTEAU. I don't know. I didn't pay them.

Mr. KENNEDY. You did not?

Mr. LINTEAU. I did not.

Mr. KENNEDY. Who got the attorneys for you?

Mr. LINTEAU. Who got the attorneys for us? I believe it was arranged by the joint council.

Mr. KENNEDY. By the joint council?

Mr. LINTEAU. I believe, 43, of which 614 is a member.

Mr. KENNEDY. Who is the president of the joint council?

Mr. LINTEAU. Mr. James R. Hoffa.

Mr. KENNEDY. Did you have conversations with Mr. Hoffa about your representation in this trial?

Mr. LINTEAU. I could have. I could have.

Mr. KENNEDY. Did you?

Mr. LINTEAU. I don't know for sure. I said I could have.

Mr. KENNEDY. Did you have discussions with him? Don't you remember?

Mr. LINTEAU. With him and the attorneys combined; yes.

Mr. KENNEDY. About the defense?

Mr. LINTEAU. That is right.

Mr. KENNEDY. Did he tell you at that time that he would provide the attorneys for you or was that just understood?

Mr. LINTEAU. He never made the statement to that effect.

Mr. KENNEDY. It was just understood?

Mr. LINTEAU. It was my understanding.

Mr. KENNEDY. That was for your fellow, Mr. Keating, and Mr. Licoletti and Mr. Marosa?

Mr. LINTEAU. Mr. Kennedy, I can't speak for them what they thought.

Mr. KENNEDY. You don't know what arrangements were made?

Mr. LINTEAU. I assumed.

Mr. KENNEDY. The same arrangements were made?

Mr. LINTEAU. For me.

Mr. KENNEDY. What were the arrangements that were made for your salary while you were in prison?

Mr. LINTEAU. I was taken off the payroll. I believe I was sentenced on October 11. As I say, this is from memory. The dates could be wrong. I believe around October 1st or the 8th I was taken off the payroll.

Mr. KENNEDY. And you have received no compensation from the teamsters since that time?

Mr. LINTEAU. I did not.

Mr. KENNEDY. Did any of your family?

Mr. LINTEAU. Yes, sir.

Mr. KENNEDY. Who received the compensation?

Mr. LINTEAU. My wife.

Mr. KENNEDY. What salary were you receiving up until October 1954?

Mr. LINTEAU. \$700 a month.

Mr. KENNEDY. How much did your wife receive?

Mr. LINTEAU. \$700 a month.

Mr. KENNEDY. Starting October 1, 1954?

Mr. LINTEAU. To the exact date I don't know. Sometime in October.

Mr. KENNEDY. So from the time you were sentenced your name came off the payroll and your wife's name came on?

Mr. LINTEAU. Not on the payroll. She never was on the payroll.

Mr. KENNEDY. Did she perform any services for the teamsters?

Mr. LINTEAU. Not that I know of.

Mr. KENNEDY. She just received compensation?

Mr. LINTEAU. That is right.

Mr. KENNEDY. Union dues of \$700 a month.

Mr. LINTEAU. It didn't come from 614.

Mr. KENNEDY. Who did it come from?

Mr. LINTEAU. I imagine the joint council.

Mr. KENNEDY. What conversations did you have with anyone in connection with that?

Mr. LINTEAU. Regarding what?

Mr. KENNEDY. Regarding your wife receiving this compensation?

Mr. LINTEAU. None whatsoever.

Mr. KENNEDY. How did you know she was going to receive the compensation?

Mr. LINTEAU. I didn't know it until she got the check.

Mr. KENNEDY. She just received the check in the mail?

Mr. LINTEAU. That is right.

Mr. KENNEDY. You never knew it was coming?

Mr. LINTEAU. No.

Mr. KENNEDY. You never discussed it with Mr. Hoffa?

Mr. LINTEAU. Not to my knowledge.

Mr. KENNEDY. He never mentioned it to you?

Mr. LINTEAU. Not to my knowledge.

Mr. KENNEDY. Was your wife surprised when she received the \$700?

Mr. LINTEAU. Yes, I imagine. I was in jail at the time. Coming in her name. I wasn't there.

Mr. KENNEDY. How long did that continue?

Mr. LINTEAU. Either May or June of this year.

Mr. KENNEDY. Of 1957?

Mr. LINTEAU. That is right.

Mr. KENNEDY. So from October of 1954 to June of 1957 your wife has received \$700 a month from the union.

Mr. LINTEAU. That is right.

Mr. KENNEDY. Have you been doing any work for the union?

Mr. LINTEAU. Not in the last—I did for about the first 6 months after I got out, but not since then.

Mr. KENNEDY. What were you doing then?

Mr. LINTEAU. I was special organizer in the Port Huron area, surveying new places, and stuff like that.

Mr. KENNEDY. Who appointed you to that position?

Mr. LINTEAU. Who appointed me?

Mr. KENNEDY. Yes.

Mr. LINTEAU. Mr. Hoffa put me to work. I don't know if he appointed me or not.

Mr. KENNEDY. Were you receiving any money for that?

Mr. LINTEAU. No. The check still came in my wife's name.

Mr. KENNEDY. Just the \$700?

Mr. LINTEAU. That is right.

Mr. KENNEDY. After you left the Port Huron area, what did you do then?

Mr. LINTEAU. Nothing.

Mr. KENNEDY. Your wife continued to receive the \$700 a month?

Mr. LINTEAU. That is right.

Mr. KENNEDY. Did you ever talk that over with Mr. Hoffa?

Mr. LINTEAU. Not that I can recall.

Mr. KENNEDY. Not that you can recall. Did you talk it over or did you discuss it with Mr. Hoffa?

Mr. LINTEAU. Mr. Kennedy, I have no records. I am trying to answer your questions.

Mr. KENNEDY. You don't need any records to answer that.

Mr. LINTEAU. I don't recall ever talking to Mr. Hoffa about my check.

Mr. KENNEDY. All right.

Mr. LINTEAU. I don't recall.

Mr. KENNEDY. Do you ever remember discussing with Mr. Hoffa about your wife receiving the \$700 a month? You need no records for that. Records would not help you.

Mr. LINTEAU. To the best of my knowledge, I don't recall ever talking to Mr. Hoffa.

Mr. FITZGERALD. Just a moment. I object. This is getting argumentative. I object to further pursuing that point.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Did you ever discuss with Mr. Hoffa any matter over the period of the last year and a half? Have you talked to Mr. Hoffa?

Mr. LINTEAU. Frequently.

Mr. KENNEDY. What?

Mr. LINTEAU. Quite often; frequently.

Mr. KENNEDY. You say you can't remember whether you ever discussed your wife receiving the \$700 a month.

Mr. LINTEAU. No.

Mr. KENNEDY. Did you ever discuss it with any teamster official?

Mr. LINTEAU. I could have.

Mr. KENNEDY. With whom?

Mr. LINTEAU. When I was taken off the payroll. I could have.

Mr. KENNEDY. When was that?

Mr. LINTEAU. In June or May, as I stated.

Mr. KENNEDY. Who did you discuss it with?

Mr. LINTEAU. I believe it was Bobby Holmes, if I remember correctly.

Mr. KENNEDY. What was Mr. Holmes' positions?

Mr. LINTEAU. He is secretary-treasurer of local 337.

Mr. KENNEDY. You went to him and discussed it?

Mr. LINTEAU. I met him.

Mr. KENNEDY. What conversation did you have?

Mr. LINTEAU. I don't recall.

Mr. KENNEDY. That was only 2 months. You can recall that.

Mr. LINTEAU. Not very well, Mr. Kennedy. I cannot say exactly what happened 2 months ago.

Mr. KENNEDY. I am not asking you to say exactly. I am asking you to tell me what conversation you had.

Mr. LINTEAU. I told Mr. Holmes I was taken off the payroll.

Mr. KENNEDY. What did Mr. Holmes say?

Mr. LINTEAU. He said—he acted surprised and I believe he asked me what I was going to do, and I said attempt to find a job. It was a short conversation. He was walking by when I stopped him.

Mr. KENNEDY. He was surprised you were taken off?

Mr. LINTEAU. That is right.

Mr. KENNEDY. How long were you going to continue on the payroll without doing anything?

Mr. LINTEAU. I don't know, Mr. Kennedy. I did not issue the checks.

Mr. KENNEDY. But he acted surprised that you had been taken off after a year and a half?

Mr. LINTEAU. He may not have have been, but to me it appeared that he acted surprised.

Mr. KENNEDY. You were on the payroll for 2½ years?

Mr. LINTEAU. I worked for him for 14 years, too.

Mr. KENNEDY. Some 32 months your wife received your salary?

Mr. LINTEAU. That is right.

Mr. KENNEDY. And for approximately 6 months you did some work and approximately 4½ months of that time you were in jail?

Mr. LINTEAU. No; not 4½ of the 6 months.

Mr. KENNEDY. Four-and-a-half months you were in jail?

Mr. LINTEAU. That is right.

Mr. KENNEDY. Some 6 months you did some work for the teamsters.

Mr. LINTEAU. That is right.

Mr. KENNEDY. Because you were appointed to a position by Mr. James Hoffa.

Mr. LINTEAU. That is right.

Mr. KENNEDY. For the rest of the period of time you did no work for the teamsters but your wife received \$700 a month of union members' dues.

Mr. LINTEAU. That is right.

Mr. KENNEDY. And Mr. Holmes was surprised in July or June of this year that you had been taken off?

Mr. LINTEAU. That was my feeling. I felt he acted surprised, yes. How he felt, I don't know.

Mr. KENNEDY. You say during this whole period of time, this 32 months, you never discussed that with any union official except Mr. Holmes, when you told him you were taken off?

Mr. LINTEAU. I could have. I don't recall.

Mr. KENNEDY. You don't remember anybody you discussed this with?

Mr. LINTEAU. I don't recall.

Mr. KENNEDY. You don't recall?

Mr. LINTEAU. That is right.

Mr. KENNEDY. You can't remember?

Mr. LINTEAU. I said I can't remember.

Mr. KENNEDY. You said "I don't recall."

Mr. LINTEAU. I don't recall discussing it with anybody else.

Mr. KENNEDY. You never discussed it even though you saw Mr. Hoffa frequently. You never discussed it with him?

(No response.)

Mr. KENNEDY. Did you do any work at Mr. Hoffa's home during this period of time?

(The witness conferred with his counsel.)

Mr. LINTEAU. At his home?

Mr. KENNEDY. Mr. Fitzgerald, as a matter of fact, he can answer the question. Did you do any work on his property?

Mr. LINTEAU. Yes, I did.

Mr. KENNEDY. When were you working on his property?

Mr. LINTEAU. I did lots of work on his cottage if that is what you are referring to.

Mr. KENNEDY. Where was that?

Mr. LINTEAU. Lake Orion.

Mr. KENNEDY. Did you get paid for that?

Mr. LINTEAU. Absolutely not.

Mr. KENNEDY. You received no compensation for that at all?

Mr. LINTEAU. Mr. Kennedy, I volunteered to do the work.

Mr. KENNEDY. How long were you up there working?

Mr. LINTEAU. A day at a time.

Mr. KENNEDY. How long were you up there working?

Mr. LINTEAU. At the end of the day I would go home. You mean how many days?

Mr. KENNEDY. You have been working up there for 4 or 5 or 6 or 8 months?

Mr. LINTEAU. No, I didn't work there at all from the time I got out of the jail, if that is what you are referring to. Break it down, what you are referring to.

Mr. KENNEDY. When did you work there?

Mr. LINTEAU. This was prior to—I would say maybe 1948, maybe 1949, 1950, 1951.

Mr. KENNEDY. That was the home he was building in Lake Orion.

Mr. LINTEAU. He didn't build it. He remodeled it.

Mr. KENNEDY. You were working out there?

Mr. LINTEAU. That is right.

Mr. KENNEDY. How much time did you spend out there?

Mr. LINTEAU. As I said, I would go out on a Saturday and maybe work all day Saturday. Maybe I would go out on Sunday and work all day. Maybe some other time I would go up for an hour or two and help him with the pump.

Mr. KENNEDY. Did you work 4 or 5 days in a row sometimes?

Mr. LINTEAU. Not that I can recall.

Mr. KENNEDY. Do you think it is possible that you might have done that?

Mr. LINTEAU. It is possible.

Mr. KENNEDY. You just can't recall?

Mr. LINTEAU. I didn't say I don't recall.

Mr. KENNEDY. I thought you said "I don't recall."

Mr. LINTEAU. To my knowledge I worked as a rule Saturday or Sunday, and if he had trouble with the pump, I would call the plumber and go out there.

Mr. KENNEDY. Did you work 4 or 5 days in a row sometimes?

Mr. LINTEAU. No, not that I can recall, at no time.

Mr. KENNEDY. You worked up at Lake 13 Fishing Club?

Mr. LINTEAU. Where?

Mr. KENNEDY. Lake 13.

Mr. LINTEAU. Where is that?

Mr. KENNEDY. At Iron River.

Mr. LINTEAU. Never.

Mr. KENNEDY. You never have done any work up there?

Mr. LINTEAU. Never. Don't even know where it is at.

Mr. KENNEDY. You have never done any work for Mr. Hoffa—any personal work, or for a company in which he is interested—since you got out of jail?

Mr. LINTEAU. Yes, I did some work for Mr. Hoffa since I have been out.

Mr. KENNEDY. What did you do?

Mr. LINTEAU. One day, I think. It wasn't even a day. It was about 3 hours 1 morning.

Mr. FITZGERALD. What year is this we are talking about, Mr. Counsel?

Mr. LINTEAU. What year are you talking about?

Mr. KENNEDY. When did you work? Since you got out of jail?

Mr. LINTEAU. I said once since I got out of jail. When did I get out of jail?

Mr. FITZGERALD. I don't know. I wasn't there.

Mr. LINTEAU. In 1953.

Mr. KENNEDY. 1955.

(At this point Senator Mundt entered the hearing room.)

The CHAIRMAN. The chairman will interrupt to announce that the Republican member of the committee has returned.

Mr. KENNEDY. You got out on February 24, 1955?

Mr. LINTEAU. It could have been somewhere in the neighborhood of 1956. I helped to unload a load of cement. That is transit-mix.

Mr. KENNEDY. Just 1 day?

Mr. LINTEAU. Not even a day.

Mr. KENNEDY. That is all? That is all the work you have done for him?

Mr. LINTEAU. For Mr. Hoffa?

Mr. KENNEDY. Yes.

Mr. LINTEAU. Since I have been out?

Mr. KENNEDY. Yes.

Mr. LINTEAU. To my knowledge.

Mr. KENNEDY. You would know?

Mr. LINTEAU. That is right. I don't know of any other time.

Mr. KENNEDY. You would recall if you had done any other work?

Mr. LINTEAU. Yes; I would recall.

Mr. KENNEDY. Did you do any other work?

Mr. LINTEAU. Not that I recall. I don't remember doing any other work other than that.

Mr. KENNEDY. Do you think it is possible to do any other work?

Mr. LINTEAU. And not remember it? No.

Mr. FITZGERALD. How many years is it that we are talking about?

Mr. KENNEDY. Mr. Fitzgerald, I suggest you listen to the question and follow. We have established the time February 24, 1955, to the present time. If you would listen to it, you would know.

Mr. FITZGERALD. I am listening to it, but I don't make much out of it.

The CHAIRMAN. It is not a question of how much you make out of it.

Let us proceed.

Mr. KENNEDY. Do you remember doing any other work for Mr. Hoffa?

Mr. LINTEAU. You mean from the time I got out of jail, or do you want to go back?

Mr. KENNEDY. February 24, 1955.

Mr. LINTEAU. February 24, 1955?

Mr. KENNEDY. Since that time. Since you got out of jail.

Mr. LINTEAU. No, I don't recall any other work, other than that one time.

Mr. KENNEDY. Do you know how the work on his home at Lake Orion was financed during the period 1948 through 1952?

Mr. LINTEAU. I am familiar with some of it, Mr. Kennedy. Not all of it. I can't tell you what the entire financial structure of remodeling the cottage is.

Mr. KENNEDY. Did you handle any of the finances yourself?

Mr. LINTEAU. I did.

Mr. KENNEDY. You paid some of the bills?

Mr. LINTEAU. I did.

Mr. KENNEDY. Bills were paid in cash?

Mr. LINTEAU. I did pay with cash.

Mr. KENNEDY. Where did you receive the money?

Mr. LINTEAU. From Mr. Hoffa.

Mr. KENNEDY. He gave you the cash?

Mr. LINTEAU. That is right.

Mr. KENNEDY. And you would, in turn, pay the builder or whatever it was?

Mr. LINTEAU. That is right.

Mr. KENNEDY. Have you been out there to check lately to find out how the bills were paid?

Mr. LINTEAU. I have been out to Hoffa's several times.

Mr. KENNEDY. Did you go to the builder and the people that did the work and ask them if there were any records in existence?

Mr. LINTEAU. No, sir.

Mr. KENNEDY. You haven't talked to any of them out there?

Mr. LINTEAU. No, sir.

Mr. KENNEDY. Have you talked to anybody about trying to determine whether there are any records in existence to show how that financing was done?

Mr. LINTEAU. Any who?

Mr. KENNEDY. Have you talked to anybody who did any of the work, a builder, or anybody else who did any of the work?

Mr. LINTEAU. Nobody.

Mr. KENNEDY. You have not?

Mr. LINTEAU. No.

Mr. KENNEDY. But you received all the money that you spent on Mr. Hoffa's home all from Mr. Hoffa?

Mr. LINTEAU. That is right. Or Mrs. Hoffa. Whoever was home at the time.

Mr. KENNEDY. And you received it in cash?

Mr. LINTEAU. That is right.

Mr. KENNEDY. And you paid the bill in cash?

Mr. LINTEAU. That is right.

Mr. KENNEDY. How much bills do you think that you paid?

Mr. LINTEAU. That would be hard to estimate because it was all individual times. For example, if a truckload or two of transit-mix would come out, I would be out to help unload, the man would give me the bill, and if Mrs. Hoffa or Jimmy was at home they would give me the money and I would pay it. If they were not at home, I would keep the bill until such time as I saw Jimmy, and he would give me the money and I would pay it.

Mr. KENNEDY. How much do you think that amounted to, approximately?

Mr. LINTEAU. That I paid?

Mr. KENNEDY. Yes.

Mr. LINTEAU. That would be hard to answer, Mr. Kennedy, because it was different times. As I say, it was small jobs like cement, maybe, blocks or sand or something like that.

Mr. KENNEDY. Did you handle all the financing?

Mr. LINTEAU. No; as I stated previously, when we first started this line of questioning, I said the total finances of the cottage I didn't know about. All I knew about is what I did.

Mr. KENNEDY. Did Mr. Keating do some of that?

Mr. LINTEAU. Did he do what?

Mr. KENNEDY. Pay some of the bills?

Mr. LINTEAU. I believe he did.

Mr. KENNEDY. That was handled the same way, by cash?

Mr. LINTEAU. Well, I can't say how Mr. Keating paid the bills, but I know that Mr. Hoffa paid Mr. Keating for a bunch of bills at one time that I know of when I was president. I think it was carpenter's wages and maybe lumber. I don't know. I didn't look at the bill.

Mr. KENNEDY. You two would be handling that for him at his home?

Mr. LINTEAU. Not necessarily us two.

Mr. KENNEDY. Was anybody else doing it?

Mr. LINTEAU. I mean we would be separate and distinct. I think Dan got the carpenter and I ordered the cement and the blocks and maybe the sand and stuff like that. In other words, we were separate from each other inasmuch as I did not hire the carpenter or order the material for the carpenter work. I recall sending a tile man out there and I believe Mr. Hoffa paid him direct. As I stated, what I did I know was paid for, because Mr. Hoffa gave me the money and I in turn got a receipt from the company or the driver.

Mr. KENNEDY. Were you supervising the laying of the cement and doing that kind of work?

Mr. LINTEAU. I would not call it supervising, because I am not a cement layer, Mr. Kennedy. I was present.

Mr. KENNEDY. During the laying of the cement?

Mr. LINTEAU. That is right, and I helped, maybe like wheeling a wheelbarrow. I dumped it into the wheelbarrow. I would not call that supervising.

Mr. KENNEDY. Was Mr. Keating out there doing that, too?

Mr. LINTEAU. Not that I recall. He could have been out there when they were doing the carpenter work and stuff. But I don't recall Dan being there when I was there.

Mr. KENNEDY. Most of the cement people that lay the cement in that area work Saturdays and Sundays. Is that when they do their work?

Mr. LINTEAU. Not necessarily.

Mr. KENNEDY. I thought that is the days you were out there.

Mr. LINTEAU. That is the days I was out there as a rule. We laid the cement ourselves.

Mr. KENNEDY. Then you were laying the cement.

Mr. LINTEAU. If you call dumping a wheelbarrow laying cement, then I laid cement. But as far as troweling cement or finishing it off, I didn't do that, because I am not capable of doing it.

Mr. KENNEDY. You were paying some of the people that were doing it?

Mr. LINTEAU. No.

Mr. KENNEDY. I thought you said you were the one that was paying.

Mr. LINTEAU. The truckdriver, Mr. Kennedy, that brought the cement, he is supposed to be paid for the cement. I called and ordered it.

Mr. KENNEDY. He would bring it always on Saturday and Sunday?

Mr. LINTEAU. Not on Sunday. The cement would be delivered on Saturday.

Mr. KENNEDY. Always the cement on Saturday?

Mr. LINTEAU. Saturday as a rule. I can't recall any other day. The only other day I can recall getting some cement there is putting in an outside fireplace.

Mr. KENNEDY. From what company?

Mr. LINTEAU. Boyce Bros.

Mr. KENNEDY. But they always delivered the cement on Saturday?

Mr. LINTEAU. Not always. That is when we ordered it.

Mr. KENNEDY. You ordered the cement on Saturdays or it was delivered on Saturdays.

Mr. LINTEAU. We usually ordered it early Saturday morning and tried to get it delivered out there. Sometimes we would order it Friday afternoon.

Mr. KENNEDY. What would happen from Monday through Friday?

Mr. LINTEAU. What do you mean, Monday through Friday?

Mr. KENNEDY. Out there. Was there any work being done Monday through Friday?

Mr. LINTEAU. It could have been. I don't recall being out there.

Mr. KENNEDY. You said Mr. Keating handled the carpenters; is that right?

Mr. LINTEAU. I said Mr. Keating and I didn't work in conjunction on the job at the same time. For example, I explained what I did. Mr. Keating, I think, had the carpentering over there and do some remodeling work and took care of the carpenters' bills and wages and in turn turned them over to Mr. Hoffa who paid for them. That is what I said.

Mr. KENNEDY. That was all handled by cash, too?

Mr. LINTEAU. No. Just one time I was present when Mr. Keating gave Mr. Hoffa an envelope of bills. It could have been material, it could have been lumber, it could have been carpenters' wages, a miscellaneous group of bills that accumulated, and Mr. Hoffa paid him the money.

Mr. KEATING. What was your position with the local at that time, local 614?

Mr. LINTEAU. What year are we talking about?

Mr. KENNEDY. 1948-52, when you were doing this work.

Mr. LINTEAU. Recording secretary. Wait a minute. Break it off. You are pinning it down to 1948.

Mr. KENNEDY. Let me put it this way. When you were doing this work out there.

Mr. LINTEAU. The majority of the work I was recording secretary.

Mr. KENNEDY. What was Mr. Keating?

Mr. LINTEAU. President.

Mr. KENNEDY. When this work was taking place, he was president of the local?

Mr. LINTEAU. President.

Mr. KENNEDY. Do you know any of the bills that were sent into the local of Mr. Hoffa's which were paid by that local?

Mr. LINTEAU. Do I know any of the bills?

Mr. KENNEDY. Yes.

Mr. LINTEAU. It is possible they were sent in.

Mr. KENNEDY. Were they paid out of local funds?

Mr. LINTEAU. Specifically I couldn't say. It could have been. It is possible.

(Senator McNamara left the room.)

Mr. KENNEDY. The local funds were used to pay the bills for his home?

Mr. LINTEAU. You mean the materials and stuff. What bills are you referring to?

Mr. KENNEDY. The materials that were used in the work on this home.

Mr. LINTEAU. To my knowledge, no. As I say, anything I ordered I got receipts for and in turn got the money from Jimmy and paid for it. It could have happened. It could have gone through the local. Whether the local paid it or not, I don't know. But if they did, they were reimbursed by Mr. Hoffa.

Mr. KENNEDY. All the records of local 614, they were destroyed, were they, in 1953?

Mr. LINTEAU. Not to my knowledge.

Mr. KENNEDY. Were they destroyed at any time?

Mr. LINTEAU. Not to my knowledge.

Mr. KENNEDY. They were still in existence when you left the local?

Mr. LINTEAU. Yes.

Mr. KENNEDY. They were still in existence when you left the local?

Mr. LINTEAU. As far as I know.

Mr. KENNEDY. You were working with them.

Mr. LINTEAU. That doesn't mean I knew about all the records. To my knowledge.

Mr. KENNEDY. But there had not been any records that you knew of that were destroyed or missing?

Mr. LINTEAU. Not that I knew of.

Mr. KENNEDY. You as recording secretary I expect would know about the records; would you not?

Mr. LINTEAU. Whether they were there or not?

Mr. KENNEDY. Yes.

Mr. LINTEAU. As far as the records are concerned, all I had was the minute book when I was recording secretary. All other than that I was out in the territory. I was not an office boy working in the office. My job was on the outside.

Mr. KENNEDY. You were there sometimes, because you were at Mr. Hoffa's home. So you were familiar with at least part of the operation of the local.

Mr. LINTEAU. I was familiar with the operation, not part of it. I was not in the office all the time. I was familiar with the minute book. I was recording secretary.

Mr. KENNEDY. What about the financial records? Were you familiar with those at all?

Mr. LINTEAU. To an extent, let us say, I am familiar. For this reason—although I believe, as I said, in 1945, after listening to Mr. Hook—he has me all mixed up, this conversation was so confused that I got to stop and think when I was recording secretary—I believe I was elected recording secretary in 1945, again in 1948; shortly after that Mr. Wheeling left and I became secretary. I think I was reelected again in 1952.

Mr. KENNEDY. You were familiar with the financial records during that period?

Mr. LINTEAU. To an extent, a very small extent, due to the fact that although I was secretary, we had a man in the office that was in charge of the office.

Mr. KENNEDY. Who was that?

Mr. LINTEAU. Donald Stone.

Mr. KENNEDY. As recording secretary, you kept the minutes of the executive board meetings.

Mr. LINTEAU. That is right.

Mr. KENNEDY. They never gave approval or gave permission for the destruction of the records?

Mr. LINTEAU. To my knowledge they were not destroyed.

Mr. KENNEDY. Did they ever give permission or say that the records should be destroyed?

Mr. LINTEAU. Not to my knowledge.

Mr. KENNEDY. You were recording secretary.

Mr. LINTEAU. That is what I say, there was no reason for them. To my knowledge the record was not destroyed.

Mr. KENNEDY. I am asking you another question, whether that was ever discussed at any of the meetings.

Mr. LINTEAU. At the executive board meetings?

Mr. KENNEDY. Yes.

Mr. LINTEAU. Not to my knowledge, and I attended all of them.

Mr. KENNEDY. Then the answer is "No"; it was not.

Mr. LINTEAU. Not to my knowledge; no.

Mr. KENNEDY. You can't give any more definite answer than that?

Mr. LINTEAU. Mr. Kennedy, I said I believe I attended all the executive board meetings.

Mr. KENNEDY. And you can't remember?

Mr. LINTEAU. I can't remember at any executive board meeting a discussion of destroying any records.

Mr. KENNEDY. All right. Thank you. Do you know how much altogether your wife has received from October 1, 1954, through June of this year?

Mr. LINTEAU. No; I don't.

The CHAIRMAN. If it was 32 months, which is my calculation—you have the records here.

Mr. KENNEDY. Yes; I would like to put them in.

The CHAIRMAN. Counsel advises he has the actual records so my calculation might be slightly in error. We will get it accurately from the record.

Mr. KENNEDY. That is all.

The CHAIRMAN. Any further questions? Senator Mundt?

Senator MUNDT. No.

The CHAIRMAN. Thank you very much.

Mr. FITZGERALD. Is he excused permanently, Mr. Chairman?

Mr. KENNEDY. I will have to ask him to stand by.

The CHAIRMAN. We may want to recall him.

Mr. FITZGERALD. He will be here.

The CHAIRMAN. We will excuse the witness as soon as we can.

Mr. KENNEDY. Mr. Bellino.

The CHAIRMAN. Mr. Bellino, you have been previously sworn?

Mr. BELLINO. No, sir.

The CHAIRMAN. You do solemnly swear that the evidence you shall give to this Senate Select Committee shall be the truth, the whole truth and nothing but the truth, so help you God?

Mr. BELLINO. I do.

TESTIMONY OF CARMINE S. BELLINO

The CHAIRMAN. Be seated. State your name, your place of residence and your business and occupation and how long you have been employed by this committee.

Mr. BELLINO. My name is Carmine S. Bellino, residence is Bethesda, Md. I am a certified public accountant. I have been with this committee since its inception.

(At this point, Senator McNamara entered the hearing room.)

Mr. KENNEDY. Mr. Bellino, you have been making a study and investigation of some of the activities of certain union officials in Michigan?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. You are familiar with some of the records of local 614 in Pontiac?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. And also of certain of the records of other teamster units in the Central Conference of Teamsters?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. You have made a study to determine the amounts of money that were paid in connection with the cases of Mr. Keating and Mr. Lintean and Mr. Licoletti and Mr. Marosso, is that right?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Will you tell us a calculation as to the amount of money that was spent for their defense on the charges of extortion?

Mr. BELLINO. The total amount of money spent in connection with the legal fees?

Mr. KENNEDY. Just with the legal fees, sir, first. Just in connection with that, and then you can give all the legal fees you found.

Mr. BELLINO. There was a total of \$27,000 paid to Mr. James Hagerty, who, I understand, was the principal attorney in connection with the defense of these individuals as well as Mr. Buffalino and others, which cases were going on about the same time.

There were also certain fees paid to Mr. David Krevia. The total amount we do not know, but we estimate there was a minimum, at least, of \$3,000, or a total of \$30,000 paid to attorneys in connection with the defense of these individuals.

The CHAIRMAN. That includes all four who have been mentioned now?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. \$30,000. All right.

Mr. KENNEDY. In addition, Mr. Bellino, have you made a study to determine how much money was paid to the wives of Mr. Keating and Mr. Lintean and these other two gentlemen during this period of time?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. So, I understand, the sums of money that were paid to those wives started at the time that these gentlemen went to jail; is that right?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. What has been the total amount that has been paid to the wives of these four individuals?

Mr. BELLINO. The total amount—

Mr. KENNEDY. As of this time.

Mr. BELLINO. The total amount paid by joint council 43 is \$85,489.

Mr. KENNEDY. Have you got that broken down as to each individual?

Mr. BELLINO. Yes, sir. Mrs. Daniel Keating received \$15,750 from November 1, 1954, through August 1956. Mrs. Louis Lintean received a total of \$22,750 for the period from November 1, 1954, through June 14, 1957. Mrs. Samuel Marrasso received a total of \$17,514 for the period from November 1, 1954, through December 10, 1956. Mrs. Necholetti received a total of \$29,475 for the period from November 1, 1954, through July 24, 1957.

Mr. KENNEDY. What was the account called, by Mr. Hoffa, out of which these funds were paid?

Mr. BELLINO. This was called the joint council No. 43 good and welfare fund.

Mr. KENNEDY. This was called the good and welfare fund?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. This was a total of \$85,000, which was paid as compensation to 4 teamsters who were sent to jail for extortion; is that right?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Where does this money come from?

Mr. BELLINO. It came from other locals in the Detroit area, which is the dues of the members.

The CHAIRMAN. In other words, dues paid by members to their local, and from assessment of those locals into this joint council?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Or whatever part of their dues is allocated to the council?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. So it actually came from the union dues?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Let us see if I get that correct. They spent \$30,000 in lawyers' fees. Was that \$30,000 out of the joint council 43?

Mr. BELLINO. Yes, sir. Joint council 43.

The CHAIRMAN. That makes \$115,489 of union funds that was paid in connection with these officers that had been convicted of extortion and sent to the penitentiary?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. And to their wives after they were sentenced?

Mr. BELLINO. Yes, sir. It also includes certain individuals, like Buffalino, that were acquitted, in connection with their legal fees.

The CHAIRMAN. There was another 1 or 2 that were charged that were acquitted?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. So the \$30,000 included them?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. You have no payments to their wives, those who were acquitted?

Mr. BELLINO. That is right.

Senator McNAMARA. Did you find out whether this fund was authorized by a vote of the rank and file meeting, in your search?

Mr. BELLINO. We found nothing in the minute to indicate any specific authorization of the payment of these moneys.

Senator McNAMARA. But was the fund properly set up by a vote of the rank and file?

Mr. BELLINO. I have not found anything.

Senator McNAMARA. What you refer to as the good and welfare fund?

Mr. BELLINO. Yes, sir.

Senator McNAMARA. You do not know how it came into being?

Mr. BELLINO. No, sir.

Senator McNAMARA. You were not able to trace it?

Mr. BELLINO. We have not found how it was established; no, sir.

Mr. KENNEDY. It was never mentioned, as a matter of fact.

Mr. BELLINO. No, sir.

Senator McNAMARA. There is no indication it was set up by a vote of the rank and file?

Mr. BELLINO. No, sir.

Senator McNAMARA. You do not have any indication whether there was or not?

Mr. BELLINO. No.

Senator McNAMARA. I think it would be a very important question whether or not it was properly set up.

Mr. BELLINO. There is no evidence whatever that it was properly set up through the membership.

Senator McNAMARA. And you have asked for that?

Mr. BELLINO. Yes, sir.

Senator McNAMARA. Nothing in the record indicates it was set up properly?

Mr. BELLINO. That is right.

Mr. KENNEDY. This figure of \$115,000 together with the \$55,000 mentioned this morning used in the defense of Mr. Connelly and his colleagues, makes a total of some \$170,000 that was used in connection with defending people for extortion and bombing and paying them salaries after they were found guilty.

Mr. BELLINO. That is correct.

The CHAIRMAN. A total of some \$170,000, is that correct?

Mr. BELLINO. Yes, sir.

Senator MUNDT. Is this money that was all collected from dues?

Mr. BELLINO. Yes, sir.

Senator MUNDT. In other words they had accumulated \$170,000 more than was needed to operate the union for legitimate purposes of the workingmen. There was a \$170,000 balance which they had gotten from dues which conceivably could have been that much lower, according to your testimony, and still have run the union except for these extracurricular expenses; is that correct?

Mr. BELLINO. That is right.

Mr. KENNEDY. Mr. Chairman, could we have a 5-minute recess?

The CHAIRMAN. I am willing.

The committee will stand in recess 5 minutes.

(Brief recess.)

The CHAIRMAN. The committee will be in order.

(Members of the select committee present at this point were Senators McClellan, McNamara, and Mundt.)

The CHAIRMAN. The Chair wishes to announce that in view of the large number of witnesses the committee expects to hear during this series of hearings, that we are going to have to work late.

Tonight we will not hold a night session, but we will continue until 6:30 or 7 o'clock, at least. Tomorrow night, it is indicated now, there will be a night session because we must try to get this job done.

All right, let us have the next witness.

Mr. KENNEDY. Mr. Leyhan.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth and nothing but the truth, so help you God?

Mr. LEYHAN. I do.

TESTIMONY OF JOHN E. LEYHAN, ACCOMPANIED BY HIS COUNSEL, ARTHUR BONK

The CHAIRMAN. Be seated.

Mr. Leyhan, state your name, your place of residence, and your business or occupation.

Mr. LEYHAN. John E. Leyhan, 643 Lincoln Road, Grosse Point, Mich. I am secretary-treasurer of Greenfield Mills Restaurant Co.

The CHAIRMAN. You have counsel present.

Counsel, will you identify yourself for the record?

Mr. BONK. My name is Arthur Bonk, and I reside at 13110 Naidine, in the city of Huntington Woods, Mich. I am a practicing attorney with my office located at 3066 Penobscot Building, Detroit. I am admitted to practice in all courts of the State of Michigan and all Federal courts in Michigan and the United States Court of Appeals for the Sixth Circuit.

The CHAIRMAN. Thank you.

Mr. Leyhan, I believe you have testified earlier today before the committee and gave us some information.

Mr. LEYHAN. Yes, sir.

The CHAIRMAN. Will you repeat the information you gave us?

Mr. LEYHAN. Yes, sir.

The CHAIRMAN. All right.

Mr. LEYHAN. Some 7 or 8 years ago, there was a grand jury investigation in Detroit concerning a payoff by restaurant industry to Mr. Hoffa. There were rumors going around and 4 or 5 years ago I attended a party given by the Michigan Association of Restaurant Operators at the Latin Quarter, on Grand Boulevard near Woodward, in Detroit.

Someone sent me a ticket. I might as well state now I wish they didn't, but it was there. In back of me, I was alone, at the table among numerous people who were probably strangers to me because they are not very considerate about one individual that is attending and they put you almost anywhere where there is room, but in back of me was seated Mr. Schaefer, who was at that time secretary of the Restaurant Guild in Detroit.

From snatches of conversation that he held with a man whom I did not know, and I do not know now, he was talking about a payoff to Mr. Hoffa. He said the payoff was made through Mr. Karsten, whose brother-in-law was in the employ of the guild.

Mr. KENNEDY. Who is Mr. Karsten?

Mr. LEYHAN. He is a restaurant operator in Detroit.

The CHAIRMAN. He also was head of the guild?

Mr. LEYHAN. Yes; I believe he is an official of the guild.

The CHAIRMAN. What is Karsten's given name?

Mr. KENNEDY. It is Mr. Ted Karsten.

Mr. LEYHAN. Yes; I believe that is the name.

Senator McNAMARA. While there is an interruption, you said there was a banquet or a dinner at the Latin Quarter in Detroit?

Mr. LEYHAN. Yes, sir.

Senator McNAMARA. Who was it given by?

Mr. LEYHAN. Michigan Restaurant Association.

Senator McNAMARA. The Michigan Restaurant Association.

Mr. LEYHAN. I believe that is the name, the Michigan Restaurant Caterers' Association or some name.

Senator McNAMARA. Not the guild, but by the association which is a different organization.

Mr. LEYHAN. That is right.

Senator McNAMARA. Yes; but they are both organizations of employers?

Mr. LEYHAN. Yes, sir.

Senator McNAMARA. Restaurant owners?

Mr. LEYHAN. Yes, sir.

Senator MUNDT. The guild as I take it, is an association of restaurant owners in the city of Detroit?

Mr. LEYHAN. Yes, sir.

Mr. KENNEDY. What did you learn, or what did they say about the brother-in-law?

Mr. LEYHAN. Well, they said he was on salary and turned a part of his salary for a payoff to Hoffa.

The CHAIRMAN. He was on a salary and carried part of his salary as a payoff to Hoffa?

Mr. LEYHAN. Yes, sir.

The CHAIRMAN. How often would he deliver that payoff to Hoffa?

Mr. LEYHAN. Well, he said probably 2 or 3 times a year. It was quite noisy as you can recognize in a party like that, and maybe I didn't catch exactly, and it was just what I caught.

The CHAIRMAN. Either 2 or 3 times a year?

Mr. LEYHAN. Yes, sir.

The CHAIRMAN. I believe you told the committee two times a year.

Mr. LEYHAN. I think that I told them that because I thought that was right. It is sometimes difficult to say, and probably my memory isn't as good and you can't remember all of the details, especially when you hear snatches of conversation.

The thing bothered me and I am frank with you. I don't like to see these things. I thought that your committee which has done some pretty nice work—and I am not saying this to flatter you at all, and I would be just as critical if you didn't—you were doing a job and you had facilities to trace these things and I believed they should be brought out into the open.

I don't want to get involved in things and at the same time I feel I am in business, and I don't want to be the next victim on a payoff either.

The CHAIRMAN. You did what you thought was your duty and reported the information you had?

Mr. LEYHAN. That is right, sir.

The CHAIRMAN. Are there any further questions?

Mr. KENNEDY. You are an officer in the guild, yourself?

Mr. LEYHAN. No, sir.

Mr. KENNEDY. You work for an officer of the guild?

Mr. LEYHAN. I am part of the company, Mr. Kennedy. I am an officer of the company and part owner, and I own stock. The president of our company is an officer of the guild.

Mr. KENNEDY. What is his name?

Mr. LEYHAN. Mr. Jack Lawrence.

Mr. KENNEDY. And he is secretary-treasurer of the guild?

Mr. LEYHAN. No, sir.

Mr. KENNEDY. He writes the checks for the guild?

Mr. LEYHAN. No, sir; I don't believe so. I don't know, really. I think that he merely approves the vouchers.

Mr. KENNEDY. He approves the vouchers?

Mr. LEYHAN. Yes, sir.

Mr. KENNEDY. As you understood this conversation, the brother-in-law of Mr. Karsten, who is president of the guild, was on the payroll of the guild, but in fact his money, the salary and expenses that he received was in fact turned over twice a year to Mr. James Hoffa, is that right?

Mr. LEYHAN. That is the way it was.

Mr. KENNEDY. Amounting to approximately \$1,500?

Mr. LEYHAN. Yes, sir.

Mr. KENNEDY. Is that right?

Mr. LEYHAN. That is right.

Mr. KENNEDY. And that he did not perform any service for the guild himself, and that his salary was just used as the payoff to Mr. Hoffa.

Mr. LEYHAN. And there was not anything in salaries, but the salary was a payoff in a sense.

Mr. KENNEDY. That was just done through the brother-in-law, is that right?

Mr. LEYHAN. That is right.

Senator MUNDT. As a member of the guild and a partner in a business that belongs to the guild, could you tell us how the guild is financed.

Mr. LEYHAN. The guild was financed by dues from I don't know how many restaurants and it was established originally for the purpose of negotiating with the unions.

Senator MUNDT. Each member of the guild and each member restaurant I suppose pays an annual fee for guild membership?

Mr. LEYHAN. That is right, sir.

Senator MUNDT. And it was allegedly out of this money which you were all taxed to pay that that payoff was made to Mr. Hoffa.

Mr. LEYHAN. That is right.

Mr. KENNEDY. The tax was paid on the salary of Mr. Karsten's brother-in-law, and then that money, after the taxes were paid, was turned over, is that right?

Mr. LEYHAN. From the conversation that I overheard.

Mr. KENNEDY. The money was turned over and it was returned to Mr. Karsten, and he would put it in an envelope and he would bring it down twice a year to Mr. Hoffa's office?

Mr. LEYHAN. That is the sense I got from the conversation that was going on.

Mr. KENNEDY. You got quite a bit of that conversation if that is where you got it from.

Mr. LEYHAN. That is where I got it from.

Mr. KENNEDY. And you say the man who gave you that information is dead now; is that right?

Mr. LEYHAN. Yes, sir; I am sorry to say.

The CHAIRMAN. All right; your information has been helpful to some extent.

Senator McNAMARA. Are you still secretary-treasurer of the Greenfield Mills organization?

Mr. LEYHAN. Yes, sir.

Senator McNAMARA. And they are still members of the guild?

Mr. LEYHAN. Yes, sir.

Senator McNAMARA. You protested this business to your associates as you did to this committee?

Mr. LEYHAN. I did not mention it because it appeared to me as if it was just a rumor, you know, and I didn't want to confront and accuse somebody of something that I wasn't sure of. But I thought here was an opportunity to find out.

Senator McNAMARA. As secretary-treasurer of the Greenfield Mills Corp., you write out this check that goes to the guild; do you not?

Mr. LEYHAN. Yes, or I order it written out.

Senator McNAMARA. And you sign it?

Mr. LEYHAN. Not necessarily; someone else might sign it?

Senator McNAMARA. Someone else might sign it other than the secretary-treasurer?

Mr. LEYHAN. Yes, sir.

Senator McNAMARA. Well, do you sign these checks that go to the guild, and have you signed them?

Mr. LEYHAN. No, sir.

Senator McNAMARA. Who does?

Mr. LEYHAN. We have 3 or 4 people who are authorized to sign checks because we pay a terrific amount of bills every day.

Senator McNAMARA. I know something of your operation. Now, you are nevertheless secretary-treasurer, and therefore in charge of the funds?

Mr. LEYHAN. Yes, sir.

Senator McNAMARA. You are protesting about money that goes from the guild to this illegal payoff and you are one of the keymen in it; are you not?

Mr. LEYHAN. In what, sir?

Senator McNAMARA. In making the payment to the guild that ultimately goes out.

Mr. LEYHAN. Yes, sir.

The CHAIRMAN. Is there anything further?

You may stand aside for the present.

Mr. Garrett Reading, will you come around, please?

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. READING. I do.

TESTIMONY OF GARRETT READING, ACCOMPANIED BY HIS COUNSEL, CLARENCE A. BRADFORD

The CHAIRMAN. Be seated and state your name and your place of residence and your business or occupation.

Mr. READING. Garrett L. Reading, 171-53 Ohio, Detroit, Mich.; supervisor of the Karsten's Cafeteria, liaison man for the guild.

The CHAIRMAN. You have counsel present. Will you identify yourself for the record?

Mr. BRADFORD. Clarence A. Bradford, attorney. Residence, 1824 Russell Street, Dearborn, Mich.

The CHAIRMAN. All right, Mr. Kennedy, proceed.

Mr. KENNEDY. Mr. Reading, you have a brother-in-law by the name of Mr. Karsten?

Mr. READING. That is correct, sir.

Mr. KENNEDY. He is president of the guild; is that right?

Mr. READING. Yes, sir.

Mr. KENNEDY. Now, you are employed by Mr. Karsten in his restaurant?

Mr. READING. Yes, sir.

Mr. KENNEDY. You do some work there?

Mr. READING. Yes, sir.

Mr. KENNEDY. What services do you perform?

Mr. READING. Supervisor.

Mr. KENNEDY. You are supervisor?

Mr. READING. Yes, sir.

Mr. KENNEDY. You operate the restaurant for him?

Mr. READING. Yes, sir.

Mr. KENNEDY. What salary and compensation do you receive there?

Mr. READING. I get \$167 and a few cents every 2 weeks.

Mr. KENNEDY. Every 2 weeks?

Mr. READING. Yes, sir.

Mr. KENNEDY. Are you also employed by the guild?

Mr. READING. Yes, sir.

Mr. KENNEDY. What compensation do you receive?

Mr. READING. \$50 a week.

Mr. KENNEDY. \$50 a week salary?

Mr. READING. Yes, sir.

Mr. KENNEDY. And you receive some expenses?

Mr. READING. Yes, sir.

Mr. KENNEDY. How much expenses do you receive?

Mr. READING. \$50.

Mr. KENNEDY. So you receive \$100 a week?

Mr. READING. Yes, sir.

Mr. KENNEDY. How long have you been with the guild?

Mr. READING. Since late 1951, sir.

Mr. KENNEDY. So for about 6 or 7 years you have been with the guild?

Mr. READING. About 6 years.

Mr. KENNEDY. Now, the money that you received from the guild you deposit in a savings account?

Mr. READING. Yes, sir.

Mr. KENNEDY. With the Detroit Bank?

Mr. READING. Yes, sir.

Mr. KENNEDY. What services do you perform for the guild, Mr. Reading?

Mr. READING. I am supposed to go out and make secret tests around and talk to the employees and find out what feelings they have toward the management and things of that kind.

Mr. KENNEDY. You have 15 or 16 different restaurant owners who are members of the guild, is that right?

Mr. READING. I couldn't say right offhand how many there are.

Mr. KENNEDY. Well, you would know, wouldn't you?

Mr. READING. I wouldn't know exactly how many there are that belong to the guild.

Mr. KENNEDY. Do you contact the employers?

Mr. READING. Not the employers.

Mr. KENNEDY. Do the employers know about you?

Mr. READING. No, sir.

Mr. KENNEDY. What services do you perform?

Mr. READING. I go out and I find out what beefs they have among the employees and I go back and give the reports to the guild.

Mr. KENNEDY. Whom do you give reports to?

Mr. READING. Mr. Karsten and Mr. Simonson, if there are any.

Mr. KENNEDY. Mr. Simonson has not been around for 2½ years.

Mr. READING. We haven't had any trouble for some time.

Mr. KENNEDY. You go around to the restaurants?

Mr. READING. Do I?

Mr. KENNEDY. Yes.

Mr. READING. Once in a great while, yes.

Mr. KENNEDY. But you still receive \$50 and expenses?

Mr. READING. Yes, sir.

Mr. KENNEDY. How often do you go around to the restaurants?

Mr. READING. I couldn't say right offhand how often I go.

Mr. KENNEDY. Do you ever go?

Mr. READING. Once in a while, sir.

Mr. KENNEDY. Once a year?

Mr. READING. More often than that.

Mr. KENNEDY. Do you tell the employer that you are coming by the restaurant?

Mr. READING. No, sir.

Mr. KENNEDY. None of the members of the guild know that you are there?

Mr. READING. No, sir.

Mr. KENNEDY. They don't even know you are employed by the guild?

Mr. READING. No, sir.

Mr. KENNEDY. What do you do when you get to the restaurant?

Mr. READING. I just go in and sit there and have a cup of coffee.

Mr. KENNEDY. You get paid \$50 salary a week, and \$50 expenses for going around occasionally to the restaurant and having a cup of coffee?

Mr. READING. Yes, sir.

Mr. KENNEDY. That is all you do?

Mr. READING. Yes, sir.

Mr. KENNEDY. Those are the services you perform and you go around and have a cup of coffee?

Mr. READING. Yes, sir.

Mr. KENNEDY. Then you go back and report on the cup of coffee to Mr. Karsten?

Mr. READING. Well, if there is anything to report; yes, sir.

Mr. KENNEDY. What sort of things are you reporting?

Mr. READING. If there is any grievance among the employees and the management.

Mr. KENNEDY. Mr. Karsten wants to know about the grievances?

Mr. READING. Yes, sir.

Mr. KENNEDY. What has that to do with the guild—he can answer the question.

Mr. READING. The guild wants to know.

Mr. KENNEDY. You do not report to anybody and the guild members do not even know you are there.

Mr. READING. Mr. Karsten is the guild.

Mr. KENNEDY. You report then to your brother-in-law?

Mr. READING. Yes, sir.

Mr. KENNEDY. That is all?

Mr. READING. Yes, sir.

Mr. KENNEDY. None of the other members of the guild even know you are doing that?

Mr. READING. I couldn't say anything about that.

Mr. KENNEDY. Do you file a written report?

Mr. READING. No, sir, oral report.

Mr. KENNEDY. What do you say, that the coffee was good?

Mr. READING. That is it.

Mr. KENNEDY. That is the kind of report?

Mr. READING. Yes, sir.

Mr. KENNEDY. You get \$50 salary and \$50 expenses for that?

Mr. READING. Yes, sir.

Mr. KENNEDY. What do you do with this money? You put it in a bank account?

Mr. READING. Yes, sir.

Mr. KENNEDY. In a Detroit bank?

Mr. READING. That is correct.

Mr. KENNEDY. Now, I am just looking for instance in 1955, starting down here, and it begins before that, but in 1955 you deposited this money and then in March you withdrew \$1,814.87. What did you do with that money?

Mr. READING. Just a habit of doing it, taking it out.

Mr. KENNEDY. You just wanted to take that much money out?

Mr. READING. Yes, sir.

Mr. KENNEDY. Then 6 months later you withdrew on August 10, some months later, you withdrew \$1,850, approximately the same amount.

Mr. READING. Yes, sir.

Mr. KENNEDY. What did you do with that?

Mr. READING. I spent it, sir.

Mr. KENNEDY. How did you spend it?

Mr. READING. Oh, different things. I bought a car and a few other things and wearing apparel.

Mr. KENNEDY. What sort of things?

Mr. READING. Well, food.

Mr. KENNEDY. What car did you buy then?

Mr. READING. I bought a Chevy.

Mr. KENNEDY. In what year?

Mr. READING. 1955.

Mr. KENNEDY. Did you use that \$1,850 for that?

Mr. READING. Yes, sir, one of them, yes, sir.

Mr. KENNEDY. Then, 6 months later, on January 25, 1956, you withdrew the exact same amount, \$1,850.

Mr. READING. Yes, sir.

Mr. KENNEDY. What did you do with that?

Mr. READING. I spent it, sir.

Mr. KENNEDY. How did you spend it?

Mr. READING. I just spent it.

Mr. KENNEDY. Six months after that, September 14, 1956, you withdrew \$1,850, the exact same amount.

Mr. READING. That is right.

Mr. KENNEDY. What did you do with that?

Mr. READING. I spent it.

Mr. KENNEDY. How did you spend it?

Mr. READING. Oh, the same way, just food and clothing and things like that.

Mr. KENNEDY. Why did you withdraw \$1,800?

Mr. READING. That is a habit I have of taking it out.

Mr. KENNEDY. You wanted to withdraw \$1,850?

Mr. READING. Yes, sir.

Mr. KENNEDY. Tell us how you spent the money.

Mr. READING. I couldn't, sir. I don't know.

Mr. KENNEDY. You told us when I talked to you in Detroit, you said if you told me a truthful answer it might tend to incriminate you.

Mr. READING. I did not tell you.

Mr. KENNEDY. You did not tell me? You said a truthful answer would tend to incriminate you and you must have had something in mind. What did you do with the money?

Mr. READING. I didn't remember.

Mr. KENNEDY. Then, on February 25th, 6 months after that, you withdrew exactly the same amount \$1,850.

Mr. READING. That is correct.

Mr. KENNEDY. That is February 25, 1957.

Mr. READING. That is right, sir.

Mr. KENNEDY. What did you do with that?

Mr. READING. I spent it the same way.

Mr. KENNEDY. Here and there?

Mr. READING. Yes, sir.

Mr. KENNEDY. You do not know where you spent it?

Mr. READING. I don't know where I spent it.

Mr. KENNEDY. Why did you tell me that telling me that out in Detroit would incriminate you?

Mr. READING. I don't know.

Mr. KENNEDY. You must know that.

Mr. READING. No, sir.

Mr. KENNEDY. You don't know that either?

Mr. READING. No, sir.

Mr. KENNEDY. Will you tell the committee how you spent the money?

Mr. READING. I have no way.

Mr. KENNEDY. Why did you withdraw every 6 months, \$1,850?

Mr. READING. That is a habit I had of taking it out and spending it.

Mr. KENNEDY. Why just \$1,850 and why not \$1,900?

Mr. READING. That was in the bank to take out.

Mr. KENNEDY. No, you left some money in the bank.

Mr. READING. I left \$400 and I built it up again.

Mr. KENNEDY. Why \$1,850 always?

Mr. READING. That is the way I wanted to take it out.

Mr. KENNEDY. What did you do with the money?

Mr. READING. I spent it.

Mr. KENNEDY. Where did you spend the money?

Mr. READING. Different places. I have no receipts for it.

Mr. KENNEDY. In 1957 where did you spend the \$1,850?

Mr. READING. The same place I did in 1956, sir.

Mr. KENNEDY. I am sure of that but where was it?

Mr. READING. I don't know.

Mr. KENNEDY. Now, I can understand, maybe if it was 5 or 6 years ago, but this is just 5 or 6 months ago, and I am asking you about a withdrawal of \$1,850 just 5 or 6 months ago. What did you do with the money?

Mr. READING. I spent it.

Mr. KENNEDY. Where did you spend it?

Mr. READING. I don't know where I spent it and if I knew, I would tell you.

Mr. KENNEDY. Tell the committee one place you spent it.

Mr. READING. I spent it all over. I spent it here and I spent it there. No certain place. I buy wearing apparel and I buy food for the house, and I pay electric light bills and gas bills and telephone bills.

Mr. KENNEDY. Always in cash, and why didn't you just write a check?

Mr. READING. I didn't want to write a check.

Mr. KENNEDY. You just wanted to get \$1,850.

Mr. READING. And just pay it out.

Mr. KENNEDY. Here and there.

Mr. READING. That is right, sir.

Mr. KENNEDY. When we first talked to you, or first interviewed you and tried to find out what you did for the guild, you said you went around and saw the restaurant owners and you went around and had interviews with them.

Mr. READING. No; I did not.

Mr. KENNEDY. Yes; you did.

Mr. READING. I am sorry.

Mr. KENNEDY. You said you went around and saw the restaurant owners and we went around and interviewed the restaurant owners and they never heard of you.

Mr. READING. I think that you are making a mistake there. I think Mr. Bellino asked me and I said I didn't do any work. I didn't call on them. I think that is the way.

Mr. KENNEDY. Were you supposed to call on them?

Mr. READING. I am supposed to call on them and I did call on them unbeknownst but just to make out a report.

Mr. KENNEDY. How could you call on someone unbeknownst to them?

Mr. READING. All you do is walk in there.

Mr. KENNEDY. You say you didn't have the time, that you were supposed to call on the restaurant owners and you didn't have the time and you had the time to go around there, according to your testimony before the committee.

Mr. READING. Yes, sir.

Mr. KENNEDY. Why did you not go in and talk to the restaurant owners?

Mr. READING. I didn't talk to restaurant owners, sir.

The CHAIRMAN. Mr. Bellino, come around, please.

You have been previously sworn, Mr. Bellino. Proceed.

TESTIMONY OF CARMINE S. BELLINO—Resumed

Mr. KENNEDY. Have you made a study of the income-tax returns of Mr. Reading, in connection with this amount of money?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. This money that he was paid by the guild?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Could you tell the committee what you have found in connection with that sum of money?

Mr. BELLINO. In 1953 and 1954 he reported the total amount that he received from the guild as in the form of salary. The figures, however, do not jibe, and he seems to have reported a little more than what the Detroit Guild showed that they had paid him.

However, in 1955, he only reported a certain portion of what he received. He was paid the same amount of money but a portion of it was treated as expenses. He reported as income for 1955 only \$2,700 and in 1954 he had reported \$6,200.

Then, in 1956 he reported only \$2,600. Now, the total amount that he received from the guild in 1956 was \$4,368. He reported only \$2,600 of it.

In 1955 he received \$4,542 and he reported only \$2,700 of it.

Mr. KENNEDY. Could you tell us what that means?

Mr. BELLINO. The significance of this is that he realized that money was going out for some source that he was not using for his benefit and he was paying income tax on that money, and he decided he was going to try and save on income tax, and asked the accountant to split his receipts between salary and expenses.

However, he has admitted to us, and he has given us a sworn statement that he had no expenses whatsoever and that he made no trips around to these various restaurants.

Mr. KENNEDY. Didn't he say in the sworn affidavit originally that he was hired to bring new members into the guild?

Mr. BELLINO. Yes, sir; his original statement to us was that he was hired to bring new members into the guild but he was so busy at Karsten's Cafeteria working from at least 9 or 9:30 in the morning to 8 at night, that he said, "I just don't have time to get around to any of these other restaurants."

Mr. KENNEDY. Despite that fact, during this last period of time, he has been receiving in addition to the \$50 a week in salary, \$50 in expenses.

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. That is how it is broken up in your records; is that right?

Mr. BELLINO. It seems to be broken up by the accountant and there is no real split to it. There is just \$420 he might receive and they will throw in \$270 of it as expenses and the balance is salary.

Mr. KENNEDY. That would give him, if he had reported all of that as salary, he would have had to pay greater taxes than if he reported half of it as income and half as expenses.

Mr. BELLINO. That is correct.

Senator MUNDT. You have me somewhat confused, Mr. Bellino. According to Mr. Reading's testimony, he has an income of \$167 twice a month. That is \$334 a month.

Mr. BELLINO. In 1956 or in 1957 he was really getting a regular amount, but for instance in 1957, January 29, he got a check for \$420. Of that, the accountant split \$170 as salary, \$250 for expenses.

The same pattern was followed in 1956 except that on January 16, 1956, he received \$420, a cashier's check, which the accountant treated on his records as expenses. That is, the whole amount was expenses.

In February he received a check for \$336. The salary was shown as \$136 and expenses was shown as \$200.

On March 5, the following month, he received another check for \$336, and salary was shown as \$136 and expenses \$200. The same thing for May.

In June he received a check for \$420. That was shown as all expenses. In July, \$420 again, shown as expenses. Then August, he went back to \$336 and \$136 as salary, and \$200 for expenses.

In September the same thing, October was \$420, but this time they show \$170 as salary and \$250 as expenses.

In November \$336 again, and the same thing in December and they show \$136 for salary and \$200 for expenses. So that the total amount in that year was \$4,368 where he reported only \$2,600.

Senator MUNDT. What did he do in his income tax about this \$3,700 that is taken out periodically, \$1,850 at a time in cash?

Mr. BELLINO. He did not report that at all.

Senator MUNDT. He did not report that as income at all?

Mr. BELLINO. No, sir, the \$3,110 is not reported as income. I might say, what he did report, I would have to say that a portion of it was reported. That is, of the \$3,100. That is, \$1,800 of it was reported or included in the \$1,258 as salary which made a total of \$2,600.

Senator MUNDT. Perhaps the witness can help me out. You testified that you got \$200 a month salary, and \$200 a month expenses for your work for the building.

Mr. READING. Yes, sir.

Senator MUNDT. So you would have to report on your income tax at least the \$2,400 a year net salary that you were getting and Mr. Bellino says it isn't there. Can you explain that?

Mr. READING. Senator, I am not a bookkeeper, or a CPA and I bring down my earnings from the cafeteria and they also have my earnings from the guild, and he makes out my income tax and I take nothing off and he does all of it himself. I have nothing to do with it.

Senator MUNDT. He has to rely on the figures you gave him.

Mr. READING. No, sir, that is a figure from his books and not my books, and I have no books. That is his books. My earnings, and the Karsten books would be what I earned and I take that down.

Senator MUNDT. Karsten would have the books on your salary at the restaurant.

Mr. READING. Mr. Carroll would have my earnings, too, because he is the bookkeeper for the guild. Do you understand?

Senator MUNDT. The same man?

Mr. READING. No, Mr. Carroll.

Senator MUNDT. Who is he?

Mr. READING. He is the auditor for the guild and the bookkeeper, a CPA.

Senator MUNDT. He also is the auditor for the restaurant?

Mr. READING. No, sir. I would take them down and give them to him and, of course, he would have the one of my earnings and he would send it to me through the mail, and I would bring it down to him and bring the one from Karsten's down to him and he is the man who figured it out.

Mr. BELLINO. I might clear up one point. On this 1956, where he reported \$2,600—

Senator MUNDT. That is reported to the Federal Government as total income?

Mr. BELLINO. On his income tax, yes, sir. He reported \$1,342 of his expenses in with his salary, and he did not report \$1,768, which he received from the Detroit Guild.

Mr. KENNEDY. Are you talking about the total salary or just the salary from the guild?

Mr. BELLINO. Just the Detroit Guild, and not the total.

Senator MUNDT. I cannot get clear in my mind the information we get from Mr. Reading and the information we get from Mr. Bellino.

As I figure the income that Mr. Reading has, it is \$200 a month salary and the expenses. I would assume they have to report those and then take a deduction, but you have \$200 a month in salary and you have got \$334 a month from the restaurant, which is \$534 net income per month, according to your testimony here, which I would think you would have to multiply by 12, and show a total net income to the Federal Government on your income tax return of over \$6,000.

Now, maybe I do not understand something about this, but that is the way I figure it. You told us, I believe, that your \$167 twice a month was net, after withholding taxes.

Mr. READING. That is correct.

Senator MUNDT. So that would be \$167 times two, and that is \$334 net income from your restaurant business. Then there is \$200 a month net income from your guild activities.

Mr. READING. That is correct.

Senator MUNDT. \$535 a month net income. Twelve times that amount is about \$6,070 or something in that neighborhood.

I would think that would have to show up on the income tax, Mr. Bellino.

Mr. BELLINO. I might say that these figures that I have are his net cash income. There are no payroll records from the guild to show any withholding. This is just a net amount that I am speaking of. They are the actual net payments to him.

Senator MUNDT. What I am trying to discover, if you can, from the income tax, is whether or not the \$200 a month, which is the figure at issue because of the curious manner in which \$1,850 was taken out every 6 months and disposed of in cash—I am trying to find out whether that particular \$3,700 was included as income by Mr. Reading to himself or whether he considered that to be money which was transferred to somebody else—which seems to be the issue in question.

I would think the income tax would show pretty clearly whether he reported to Uncle Sam this amount of net income or whether he deducted from what he put in the \$3,700 and reported \$3,000 of net income.

Mr. BELLINO. He has not reported all of the money he received on the basis that he considered the proportion of it as expenses and that portion he did not report.

Senator MUNDT. Can you explain that inconsistency?

Mr. READING. As I said before, I had nothing to do about making out the income-tax report. Mr. Carroll took care of that. I made no claims and if he made the claims, that is up to him and I don't know anything about it.

Senator MUNDT. You would have a hard time convincing the Internal Revenue that, because you signed it.

Mr. READING. I thought he was taking care of it, sir. That is the whole thing because I gave him both slips, the one I received from Karsten's and the one that he sent me from the guild. I brought them both down and he made out the income tax.

Senator MUNDT. You agree with me that my summary of your income tax is right, that you get about \$6,700 a year net income?

Mr. READING. Yes.

Senator MUNDT. And you would agree that that should show up somewhere?

Mr. READING. Certainly. He is the man who is getting paid to make out my income tax report and not me and he is a CPA, too.

Senator MUNDT. It seems to me you are apt to get in trouble with the Internal Revenue Department. Maybe you need a new accountant, but the way you gave it to us and the way we get it from the income tax report do not jibe.

I have not seen the income tax report, but I am sure Mr. Bellino has. He is a CPA, too, and he looks at it.

Mr. BRADFORD. Could I ask Mr. Bellino where he got the information from, Mr. Carroll's books or the Internal Revenue Department?

Mr. BELLINO. From Mr. Carroll's books. I might say, Mr. Carroll warned Mr. Reading when he made this split that he was going to have to take it up with Internal Revenue and explain any expenses that he said he had.

Mr. BRADFORD. Did Mr. Bellino know that Mr. Carroll said that to Mr. Reading?

Mr. BELLINO. Mr. Carroll so informed me.

Mr. BRADFORD. It is hearsay again.

Senator MUNDT. Do you have the Internal Revenue reports of Mr. Reading?

Mr. BELLINO. Yes, sir.

Senator MUNDT. Do they show the \$6,700?

Mr. BELLINO. For what year?

Senator MUNDT. For 1956.

Mr. BELLINO. It is \$2,600 in 1956.

Senator MUNDT. Total net income?

Mr. BELLINO. Just the Detroit Restaurant Guild. The total net income is \$7,325.50. There is \$4,725 being Karsten's Catering Co., but the guild is \$2,600.

Senator MUNDT. That is short \$900 then. It should be \$3,700.

Mr. KENNEDY. Mr. Reading, Mr. Chairman, gave us an affidavit that I would like to read the first part of.

The CHAIRMAN. Read it and ask the witness if it is true.

Mr. KENNEDY (Reading):

I, Garrett L. Reading, of 17153 Ohio Street, Detroit, Mich., hereby make the following statement to Mr. Edward M. Jones and Carmine S. Bellino, whom I know to be investigators of the staff of the Senate Select Committee on Improper Activities in the Labor and Management Field. I make this statement freely and voluntarily knowing that it may be used against me in a public hearing.

I am presently employed as supervisor for Karsten's Cafeteria, located at 1550 Woodward Avenue. I have been employed in this capacity since late 1950. Mr. Karsten, the owner of the cafeteria, is my brother-in-law, and my duties consist in being supervisor and general helper at the cafeteria.

I begin my duties around 11 a. m., in the morning and usually do not leave the place until after 9 p. m. at night, except Monday when I leave after 10. I am so employed 6 days a week.

Senator MUNDT. Is that a true statement up to now?

Mr. READING. It is correct, sir.

Mr. KENNEDY. That is from 11 in the morning, until 9 at night. That is 6 days a week.

Sometime late in 1951 Mr. Karsten gave me the job which I hold at the Detroit Restaurant Guild. He asked me if I would like to have a job and I said, "Sure, I would like to have a job. I could do it in my spare time."

Later, I would say about a week later, he told me what I was supposed to do and he told me I was supposed to go out and get new members for the guild. At the time that he offered me the job with the guild, he told me I would receive \$50 a week. I received payment from the guild about every 2 months or so, usually in a lump, of around \$250 or \$300.

I spend proceeds of the checks that I receive from the guild for personal items. I usually cash the checks at any bank that I might be near.

In view of the long hours that I work, I couldn't find out how I was going to do the work of visiting the restaurants for new members. I was putting in too much time down at Karsten's.

Although I have been paid at the rate of \$50 a week since 1951 through the present time, I haven't had an opportunity to get around to see any restaurant owners as yet. This includes restaurant owners who are members of the guild as well as potential members who are in the restaurant business. In other words, I have not visited anyone or done any work whatsoever for the salary paid to me by the guild.

Senator MUNDT. Is that a true statement up to now?

Mr. READING. No.

Senator MUNDT. Where did you start to falsify?

Mr. READING. The owners. I got that mixed up, when he said the owners.

Senator MUNDT. What should you have said?

Mr. READING. The places.

Senator MUNDT. What do you want to straighten out now in the statement up to now? Just change the word "owners"?

Mr. READING. Yes, sir. It should be "employees."

Mr. KENNEDY (reading):

Although I have been paid at the rate of \$50 a week since 1951 to the present time, I haven't had an opportunity to get around to see any restaurant employees as yet.

This includes restaurant employees who are members of the guild as well as potential members who are in the restaurant business. In other words, I have not visited anyone or done any work whatsoever for the salary paid to me by the guild.

Senator MUNDT. Is that a true statement now, substituting the word "employees" for "employers"?

Mr. READING. No, no.

Senator MUNDT. Well, it is your statement.

Mr. READING. I know it is my statement.

Senator MUNDT. You swore to it and you just said you wanted to change the word "employers" to "employees." We fixed that up for you. What else do you want to change?

(The witness conferred with his counsel.)

Mr. KENNEDY. That is a sworn statement.

Senator MUNDT. You do not look to me like a fellow who would go out and make a false sworn statement which is a complete lie, to a congressional committee. Maybe you could make a mistake between employees and employers, but if you want to change something else, that gets more serious.

What else do you want to change?

Mr. READING. I could change the testimony we made today in the other room.

Senator MUNDT. What?

Mr. READING. The testimony we made in the other room.

Senator MUNDT. You want to change that, too? I want to find out what you want to change in your sworn statement.

Mr. READING. I don't want to change the affidavit.

Mr. BRADFORD. Could I say this, Mr. Senator.

Senator MUNDT. We ought to find out from the witness first what changes he wants to make.

(The witness conferred with his counsel.)

The CHAIRMAN. Let us get down to the issue here. Is that statement you gave this counsel true or false?

(The witness conferred with his counsel.)

Mr. READING. A misunderstanding on my part, sir. I was there without an attorney and I was forced into this by Mr. Bellino. He was the one who pushed it onto me.

Mr. KENNEDY. Don't say that. You were not telling me the truth when I was there.

Mr. READING. You were not questioning me then.

Mr. KENNEDY. You were not telling me the truth, either. That was the third time you were interviewed. You had your attorney there. So don't talk like that.

The CHAIRMAN. Let us get down and do it. You claim this statement is false?

Mr. READING. No, sir.

The CHAIRMAN. You gave a false statement?

Mr. READING. I didn't give a false statement.

The CHAIRMAN. You signed it.

Mr. READING. I didn't understand it, sir.

The CHAIRMAN. You didn't understand it?

Mr. READING. No, sir.

The CHAIRMAN. It is very simple language. Now what is your statement about? How much money did you get?

Mr. READING. You have the figures right there of the money.

The CHAIRMAN. How much did you get?

Mr. READING. I got \$50 a week.

The CHAIRMAN. What did you do with it?

Mr. READING. I spent it.

The CHAIRMAN. You put it in the bank?

Mr. READING. I spent it after I put it in the bank.

The CHAIRMAN. You put all that money you got from the guild in one separate account?

Mr. READING. Yes, sir.

The CHAIRMAN. In a savings account?

Mr. READING. Yes, sir.

The CHAIRMAN. About each 6 months you would draw out.

Mr. READING. Yes, sir.

The CHAIRMAN. Enough to pay the other obligation you had?

Mr. READING. That is right.

The CHAIRMAN. That obligation was to take this money back to Karsten, who, in turn, took it to Jim Hoffa. That is the truth about it, isn't it?

Mr. READING. No, sir.

The CHAIRMAN. Don't you know that is a fact?

Mr. READING. No, sir.

The CHAIRMAN. That is where the money went.

Mr. READING. I don't know anything about it.

The CHAIRMAN. That was the purpose of it. You didn't do any work to get it. Isn't that the truth?

Mr. READING. I didn't give Jimmy—Mr. Karsten any money.

The CHAIRMAN. All right. It is your oath and your record. The only explanation you got is that you would draw out \$1,850 every 6 months and go out and spend it. You can't tell what you spent it for. Is that correct?

Mr. READING. That is right.

The CHAIRMAN. Are there any further questions?

Mr. KENNEDY. I would like to point out, once again, when I talked to you out in Detroit you said you would not tell me where the \$1,850 went, because it might tend to incriminate you.

The CHAIRMAN. Did you say that?

Mr. READING. I did, sir.

The CHAIRMAN. Will it, if you tell the truth?

Mr. READING. I don't know.

The CHAIRMAN. You said it might tend to incriminate you. Do you think now, if you told the truth about it, it might tend to incriminate you?

Mr. READING. Yes, sir.

The CHAIRMAN. That is why you are not telling the truth?

Mr. READING. That is right.

The CHAIRMAN. That is a fact, isn't it?

(No response.)

Senator MUNDT. Why didn't you take the fifth amendment to begin with, instead of running us through this cock-and-bull story? We have had it a lot of times. It is nothing new. You come up here with a fairytale that you say is false, and you say what you told us in the other committee room is false, and you will take the fifth amendment. I can understand.

Mr. READING. Not in the other committee room was false, sir. I didn't say anything in the other committee room false.

The CHAIRMAN. Didn't what?

Mr. READING. I didn't say anything in the other committee room was false.

The CHAIRMAN. You didn't say what was false?

Mr. READING. In the other committee room, Senator Mundt said——

Senator MUNDT. I thought he said he wanted to change his statement in the other committee room, so I assumed it was false.

The CHAIRMAN. He said he didn't want to change it. What part is there about it that might tend to incriminate you?

Mr. READING. What I did with the money, sir.

The CHAIRMAN. What you did with the money?

Mr. READING. Yes, sir.

The CHAIRMAN. Did you do something unlawful with it?

Mr. READING. No, sir.

The CHAIRMAN. Did you turn it over to Mr. Karsten?

Mr. READING. No, sir.

The CHAIRMAN. Did you turn it over to someone else?

Mr. READING. No, sir.

The CHAIRMAN. You didn't give this money to Mr. Karsten?

Mr. READING. I did not.

The CHAIRMAN. You didn't get the money for doing nothing and know that it would go for another purpose?

Mr. READING. No, sir; I did not, sir.

The CHAIRMAN. What work did you do?

Mr. READING. What work did I do?

The CHAIRMAN. Yes, to get the money, to earn it.

Mr. READING. I went out and called on these customers, I was supposed to, and go out there and contact them.

The CHAIRMAN. What is there about that that would incriminate you?

Mr. READING. Nothing would incriminate me there.

The CHAIRMAN. Nothing?

Mr. READING. No. But you want to know where the money went, and I spent the money, and that is all.

The CHAIRMAN. Would it incriminate you each time you spent it?

Mr. READING. Well, I don't know.

The CHAIRMAN. Is that your testimony, that you can't tell on any time what you spent it for?

Mr. READING. That is right, sir.

The CHAIRMAN. Because, any time you spent it, and you told about it, it might incriminate you?

Mr. READING. Yes, sir.

Senator MUNDT. In other words, we could get to it this way, Mr. Reading, if you are going to take the fifth amendment. I think you can testify this much; that, as a matter of fact, you did not spend this \$1,850 each time you got it on yourself or your family for electric-light bills or grocery bills and clothes. That is correct? You did not spend it all for that purpose. Is that right?

Mr. READING. Practically so.

Senator MUNDT. So it is the part that you did not spend for your own household necessities and your own clothing and enjoyment, it is the part you spent some other way which might tend to incriminate you if you told us how you spent it?

Mr. READING. It could be.

Senator MUNDT. What part? Which? Can you give us some idea how much you spent in this way you don't want to talk about and how much you spent legitimately?

Mr. READING. I couldn't say, sir.

Senator MUNDT. As a matter of fact, you spent the most of that part you cannot talk about. You could pay your grocery bills and light bills from your grocer operation salary.

Mr. READING. That is right.

The CHAIRMAN. When you testified today in executive session and here, when you said you couldn't remember, you were not telling the truth. Is that correct?

Mr. READING. That is correct.

The CHAIRMAN. So you did testify falsely.

Mr. READING. No, I wouldn't say.

The CHAIRMAN. When you said you couldn't remember, you do remember. You know you spent it in a way that you say might tend to incriminate you. So you do remember, don't you?

Mr. READING. I don't remember how I spent it all.

The CHAIRMAN. I didn't say all of it; any of it.

Mr. READING. I don't remember how I spent it.

The CHAIRMAN. You don't remember?

Mr. READING. No, sir.

The CHAIRMAN. How do you then think it might tend to incriminate you?

Mr. READING. I don't know.

The CHAIRMAN. Don't you know you do know how you spent it or used it?

Mr. READING. No, sir.

The CHAIRMAN. You say you don't know how?

Mr. READING. That is right.

The CHAIRMAN. How do you contend it might tend to incriminate you if you answered the question and told the truth? Can you explain that?

Mr. READING. Upon the advice of counsel I plead the fifth amendment to the Constitution and claim the information asked for is not necessary or would be of assistance to the Congress as the basis for the enactment of law.

The CHAIRMAN. You have finally gotten down to that point, haven't you. In other words, you can't tell.

Mr. READING. You crowded me down.

The CHAIRMAN. It would tend to incriminate you.

Mr. KENNEDY. What is so funny, Mr. Reading?

The CHAIRMAN. A lot of these folks think they are funny.

Senator McNAMARA. You heard the previous witness' testimony, Mr. Leyhan?

Mr. READING. Who?

Senator McNAMARA. Mr. Leyhan.

Mr. READING. I don't know the gentleman.

Senator McNAMARA. You didn't know the previous witness?

Mr. READING. No, I don't.

Senator McNAMARA. You represent the guild?

Mr. READING. Yes, sir.

Senator McNAMARA. He is secretary-treasurer of perhaps the biggest member of the guild as far as volume of business is concerned and you don't know him?

Mr. READING. I don't know him.

Senator McNAMARA. But you are their agent. You are the agent for the guild?

Mr. READING. Yes.

Senator McNAMARA. You don't know this gentleman?

Mr. READING. No; I do not, sir.

Senator McNAMARA. You heard him testify that this money was paid to you for the purpose of you conveying it through another party to Jimmy Hoffa; didn't you?

Mr. READING. Yes, but it is not true, sir.

Senator McNAMARA. It is not true?

Mr. READING. No.

Senator McNAMARA. But you won't tell us what you did with it?

Mr. READING. No, sir.

Senator McNAMARA. So the inference is clearly that the testimony previously given is true. This is the inference you are leaving with your testimony if you leave it in this manner now. This committee can't believe anything else. You are leaving that inference.

Mr. READING. All right.

Senator McNAMARA. That you are part of this payoff. It was paid to you for doing nothing and you in turn turned it over to somebody else and it wound up as the previous witness stated. That is what the two stories come out to.

Mr. READING. It is not true, sir.

Senator McNAMARA. What is true?

Mr. READING. I don't know. I never gave Mr. Karsten or Mr. Hoffa any money.

Senator McNAMARA. You heard the testimony of the previous witness.

Mr. READING. I heard it; but I don't even know the man.

Senator McNAMARA. You know he is a high official, secretary-treasurer of perhaps your biggest member of the guild that you represent.

Mr. READING. I don't know anything about him, sir.

Senator McNAMARA. You know you heard him swear under oath he was.

Mr. READING. I heard him say that, but that is only hearsay. I don't think he knows what he is talking about.

Senator McNAMARA. Do you think it is hearsay when he says it under oath here?

Mr. READING. I don't know, sir.

Senator McNAMARA. It is not hearsay.

Mr. READING. Didn't he say hearsay?

Senator McNAMARA. He was speaking for himself.

Mr. READING. Didn't he make a statement that it was hearsay?

Senator McNAMARA. What did you say?

Mr. READING. Didn't he make a statement that it was hearsay from Mr. Schaefer.

Senator McNAMARA. No, he didn't make any statement that it was hearsay that he was secretary-treasurer of Greenfield Mills Corp. That is what I am asking you about. This is not hearsay. This is a statement of fact. Undisputed fact. You do recognize him as a high ranking official of this big corporation?

Mr. READING. I don't know him, sir.

Senator McNAMARA. You don't know him?

Mr. READING. I don't know him.

Senator McNAMARA. You know the Greenfield Mills Corp.?

Mr. READING. I never saw the man before in my life.

Senator McNAMARA. Do you know the Greenfield Mills Corp.?

Mr. READING. I know of Greenfield.

Senator McNAMARA. You know Greenfield at Woodward and Temple and Greenfields downtown in the David Scott Building?

Mr. READING. Yes, sir.

Senator McNAMARA. You know they are associated with the Mills operation in Ohio. Anybody in the restaurant business or closely

connected with even somebody who is in it knows these things. You are lying when you sit there and say you don't know it.

The CHAIRMAN. The Chair will make as a part of the record the transcript of the bank account in which these funds were deposited and from which they were withdrawn. That will be made exhibit No. 15.

(The transcript referred to was marked as "Exhibit No. 15" for reference and will be found in the appendix on pp. 5743-5744.)

The CHAIRMAN. The Chair will also have printed in the record the affidavit of the witness given on the 28th day of August 1957, sworn to before Anthony S. Krolikowski. That will be made a part of the record.

(The affidavit follows:)

I, Garrett L. Reading of 17153 Ohio Street, Detroit, Mich., hereby makes the following statement to Mr. Edward M. Jones and Carmine S. Bellino, whom I know to be investigators on the staff of the Senate Select Committee on Improper Activities in the Labor and Management Field. I make this statement freely and voluntarily knowing that it may be used against me in a public hearing.

I am presently employed as supervisor for Karsten's Cafeteria, located at 1550 Woodward Avenue. I have been employed in this capacity since late 1950. Mr. Karsten, the owner of the cafeteria, is my brother-in-law and my duties consist in being supervisor and general helper at the cafeteria. I begin my duties around 11 a. m. in the morning and usually do not leave the place until after 9 p. m. at night, except Monday when I leave after 10. I am so employed 6 days a week.

Sometime late in 1951 Mr. Karsten gave me the job which I hold at the Detroit Restaurant Guild. He asked me if I would like to have a job and I said "Sure, I would like to have a job. I could do it in my spare time."

Later, I would say about a week later, he told me what I was supposed to do and he told me I was supposed to go out and get new members for the guild. At the time that he offered me the job with the guild, he told me I would receive \$50 a week. I received payment from the guild about every 2 months or so, usually in a lump sum, around \$250 or of \$300. I spend proceeds of the check that I receive from the guild for personal items. I usually cash the checks at any bank that I might be near.

In view of the long hours that I work, I couldn't find out how I was going to do the work of visiting the restaurants for new members. I was putting in too much time down as Karsten's.

Although I have been paid at the rate of \$50 a week since 1951 through the present time, I haven't had an opportunity to get around to see any restaurant owners as yet. This includes restaurant owners who are members of the guild as well as potential members who are in the restaurant business. In other words, I have not visited anyone or done any work whatsoever for the salary paid to me by the guild.

I have visited the offices of the guild at least once a year, at which time I would have my income-tax return made out by the accountant who keeps the books for the guild. I do not pay the accountant for his services in making up my income-tax return.

Although I stated above that I have not contacted anyone, I dropped in this morning at the Bonjio Restaurant on the corner of John R. and Broadway, at which time I just dropped in to say hello to Mr. Johnson. Mr. Johnson knows that I am paid by the guild because he sees the books and my name comes up at the meeting. I did not mention to Mr. Johnson anything to the effect that I am connected with the guild nor anything about the current investigation being conducted by the Senate Select Committee on Labor. I deny that I visited anyone else or that I dropped in to see anyone and discuss with them the manner of my connection with the guild or the activities of the Senate Select Committee on Labor with respect to the guild.

I also deny that I have discussed this matter in any way with Mr. Karsten since I was first interviewed by Mr. Bellino on August 26, 1957, in room 479 of the Federal Building.

I further deny that any moneys which I have received from the guild or any other source have been given to Mr. Karsten to use in any manner he saw fit.

I also deny that I have any knowledge of any payment to any union official either through money paid to me by the guild or otherwise.

With respect to Mr. Karsten's visits to Mr. Hoffa's office, I do not know anything about that. I have never heard Mr. Karsten mention that he was going to the Detroit Stadium. I do know that he is interested in trotting races and that he has gone to the track.

I do not know Mr. John P. McElroy. I have never heard of Mr. McElroy. This is the first I have heard his name mentioned.

I hereby swear that the above statement consisting of three pages is true and correct.

[S] GARRETT L. READING.

STATE OF MICHIGAN,

City of Detroit:

Subscribed and sworn to before me, a notary public, this 28th day of August 1957.

[S] ANTHONY S. KROLIKOWSKI, *Notary Public*.

My commission expires February 12, 1958.

The CHAIRMAN. The Chair will announce with the approval of the committee this entire record will be turned over to both the Justice Department and also the Internal Revenue Bureau, that is, all of the testimony relating to this witness and his testimony.

You may stand aside. Call Mr. Karsten.

Mr. Karsten, will you be sworn.

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. KARSTEN. I do.

TESTIMONY OF THEODORE R. KARSTEN, ACCOMPANIED BY HIS COUNSEL, CLARENCE A. BRADFORD

The CHAIRMAN. Be seated. State your name, your place of business, your residence, and your business or occupation.

Mr. KARSTEN. Theodore R. Karsten, 27405 West Ten Mile Road, Farmington Township, Mich. I am part owner of Karsten's Cafeteria and Cascade Dining Room, Detroit, Mich.

The CHAIRMAN. What is your position with the guild?

Mr. KARSTEN. I am one of the negotiating officers.

The CHAIRMAN. You are what?

Mr. KARSTEN. The negotiating committee officer.

The CHAIRMAN. How many on the committee?

Mr. KARSTEN. At the present time I am alone.

The CHAIRMAN. You are the committee?

Mr. KARSTEN. At this particular time; yes, sir.

The CHAIRMAN. What duties do you perform in that capacity?

Mr. KARSTEN. When it comes time to negotiate with the unions, I consult with our negotiator, a hired employee, to do the actual negotiation with the union.

The CHAIRMAN. What salary do you get from the guild?

Mr. KARSTEN. None, sir.

The CHAIRMAN. What salary do you give your brother-in-law?

Mr. KARSTEN. The guild pays him \$50 a week and \$50 expense.

The CHAIRMAN. What are expenses? What expenses does he have?

Mr. KARSTEN. Drive his car and buy things at these restaurants where he goes.

The CHAIRMAN. Buy his coffee?

Mr. KARSTEN. Buy his coffee.

The CHAIRMAN. That is all he testified to.

Mr. KARSTEN. He may buy a steak, Senator.

The CHAIRMAN. Beg pardon?

Mr. KARSTEN. He may buy a steak. They are expensive.

The CHAIRMAN. He didn't say so. He said coffee. I don't know. I am taking his word for it. What do you you pay him this \$50 a month for? What does he do?

Mr. KENNEDY. A week. One hundred dollars a week.

The CHAIRMAN. Fifty dollars is salary and \$50 expense, as I understand it. What do you pay it to him for?

Mr. KARSTEN. He is confidential agent for this negotiating committee which used to consist of the three of us. Mr. Louis A. Schaefer, now deceased, Mr. Simonson and myself.

The CHAIRMAN. Why is it he can't tell what he does?

Mr. KARSTEN. Who are the original organizers of the guild.

The CHAIRMAN. Why can't he tell what service he performs? There is nothing secret about it.

Mr. KARSTEN. Yes, sir.

The CHAIRMAN. What is the secret?

Mr. KARSTEN. The secret is that we don't want the unions to try to tear us apart. The unions would much rather deal with us individually than as a guild.

The CHAIRMAN. That is a guild. What service does he perform?

Mr. KARSTEN. He performs services for the guild. He was engaged by Mr. Simonson and Mr. Schaefer. I just recommended him.

The CHAIRMAN. The members of the guild don't even know him.

Mr. KARSTEN. They don't have to know him. The members of the guild operated secretly since its inception. The guild members profit from what benefits we get ourselves or vice versa.

The CHAIRMAN. All he ever did according to his own testimony was to go around and get a cup of coffee and talk to the waitresses.

Mr. KARSTEN. He has done that in a confidential nature. He respects the confidence we placed in him.

The CHAIRMAN. Do you know what he did with the money he can't account for?

Mr. KARSTEN. I have no idea what he does with his money.

The CHAIRMAN. It has been placed in a bank account. You heard the testimony. Each 6 months he draws out about \$1,850.

Mr. KARSTEN. I know nothing about his funds.

The CHAIRMAN. Does he turn that money over to you?

Mr. KARSTEN. No, sir.

The CHAIRMAN. Has he ever turned that money over to you when he drew it out?

Mr. KARSTEN. No, sir.

The CHAIRMAN. Did he bring it to you in a brown envelope?

Mr. KARSTEN. No, sir.

The CHAIRMAN. Did you in turn take it to Jim Hoffa?

Mr. KARSTEN. No, sir.

The CHAIRMAN. You say that is not true?

Mr. KARSTEN. That is right, sir.

The CHAIRMAN. All right. Is there anything further?

Mr. KENNEDY. Yes. Does he make reports to you when he visits these restaurants?

Mr. KARSTEN. If there is any trouble, he does. If everything is going along all right, it is not necessary.

Mr. KENNEDY. When was the last time he made a report to you?

Mr. KARSTEN. Occasionally he said he stopped by some place or another.

Mr. KENNEDY. When was the last time he told you that?

Mr. KARSTEN. Six or eight months ago.

Mr. KENNEDY. Eight months ago.

Mr. KARSTEN. Probably.

Mr. KENNEDY. Eight months was the last time he made a report to you?

Mr. KARSTEN. He is a liaison officer on call for the guild whenever he is needed.

Mr. KENNEDY. Six or eight months is the last time?

Mr. KARSTEN. That is right. No trouble is good news. We don't look for trouble.

Mr. KENNEDY. You send him around to find out what the members of the guild are doing?

Mr. KARSTEN. That is right.

Mr. KENNEDY. To spy on the members?

Mr. KARSTEN. Not "spy"; that is not the word.

Mr. KENNEDY. Why didn't you tell them when he goes around to the restaurants?

Mr. KARSTEN. Because the negotiating committee operated exclusively for the benefit of the guild. What was good for—we were members without pay.

Mr. KENNEDY. Don't get into that. Why didn't you tell the members of the guild that he was going around?

Mr. KARSTEN. Why?

Mr. KENNEDY. Why didn't you tell the members of the guild that he was coming around?

(The witness conferred with his counsel.)

Mr. KENNEDY. He doesn't need legal advice there. It is a question of fact. Why didn't you tell the members of the guild?

Mr. KARSTEN. It is not necessary.

Mr. KENNEDY. Why didn't you?

Mr. KARSTEN. For 20 years we never have.

Mr. KENNEDY. You did not have him on the payroll 20 years.

Mr. KARSTEN. No. We had people prior to him. We had a man by the name of John Kern prior to him.

Mr. KENNEDY. You say that the people did not know about John Kern?

Mr. KARSTEN. Not necessarily.

Mr. KENNEDY. They did know about John Kern?

Mr. KARSTEN. That just happens. Not necessarily.

Mr. KENNEDY. Is that the same John Kern involved with Frank Fitzsimmons?

Mr. KARSTEN. I don't know that.

Mr. KENNEDY. Yes, it is. It is one and the same.

Mr. KARSTEN. I don't know.

Mr. KENNEDY. What restaurant did he last make a report to you about?

Mr. KARSTEN. I don't remember.

Mr. KENNEDY. You can tell the committee.

Mr. KARSTEN. I don't remember.

Mr. KENNEDY. What are you paying him expenses for?

Mr. KARSTEN. To go around.

Mr. KENNEDY. What restaurant did he give you a report on?

Mr. KARSTEN. I don't remember.

Mr. KENNEDY. What restaurant has he ever given you a report on?

Mr. KARSTEN. We have 21. I don't remember which ones.

Mr. KENNEDY. Tell the committee one restaurant he gave a report on.

Mr. KARSTEN. Johnson's.

Mr. KENNEDY. What did he say on that?

Mr. KARSTEN. Well "everything is all right."

Mr. KENNEDY. Everything is all right in Johnson's.

Mr. KARSTEN. That is right; no news is good news.

Mr. KENNEDY. What other restaurant did he give you a report on?

Mr. KARSTEN. Greenfields.

Mr. KENNEDY. What did he say about them?

Mr. KARSTEN. They are all right. The help are satisfied. Everything is fine.

Mr. KENNEDY. What restaurant did he give you an adverse report on after he had talked to the witnesses and had his cup of coffee?

Mr. KARSTEN. I don't know whether he had a cup of coffee or a full meal. I don't know anything about that, sir.

Mr. KENNEDY. That is according to his testimony.

Mr. KARSTEN. I see.

Mr. KENNEDY. What restaurant has he given you an adverse report on?

Mr. KARSTEN. I just told you, Greenfields.

Mr. KENNEDY. No; he said everything is all right in Greenfields.

Mr. KARSTEN. That is right. We haven't had any adverse report for years.

Mr. KENNEDY. You have not?

Mr. KARSTEN. No, sir.

Mr. KENNEDY. Yet you pay him \$50 salary and \$50 expenses.

Mr. KARSTEN. That is right.

Mr. KENNEDY. According to the affidavit he made out he said he was hired to bring in new members to the guild.

Mr. KARSTEN. That is erroneous.

Mr. KENNEDY. That is wrong?

Mr. KARSTEN. That is right. He probably got a little nervous. You are apt to do that to a young fellow, the same as you could to me.

Mr. KENNEDY. Who conducts the negotiations?

Mr. KARSTEN. A man by the name of John McElroy.

Mr. KENNEDY. Who recommended John McElroy?

Mr. KARSTEN. I don't know. He was recommended to the committee, and he was engaged by Mr. Simonson and me.

Mr. KENNEDY. Tell the committee who recommended John McElroy.

Mr. KARSTEN. I don't know. I do not remember.

Mr. KENNEDY. How long has he been working for the guild?

Mr. KARSTEN. Mr. Kennedy, Mr. McElroy is personnel manager of the Wayne County Road Commission. Isn't that recommendation enough?

Mr. KENNEDY. Do you know, also, his arrangement with the teamsters?

Mr. KARSTEN. No.

Mr. KENNEDY. Do you know he has received large amounts of money from Mr. Brennan and Mr. Hoffa in the form of cash?

Mr. KARSTEN. No.

Mr. KENNEDY. You don't know anything about that?

Mr. KARSTEN. No, sir.

Mr. KENNEDY. Wasn't it a fact that Mr. Hoffa or Mr. Brennan recommended him to you?

Mr. KARSTEN. No, sir.

Mr. KENNEDY. You say they did not?

Mr. KARSTEN. No, sir.

Mr. KENNEDY. When was he hired?

Mr. KARSTEN. I can't tell you the exact date.

Mr. KENNEDY. In the last couple of years?

(The witness conferred with his counsel.)

Mr. KARSTEN. Four years, maybe. I do not remember the date.

Mr. KENNEDY. How did you happen to hire him?

Mr. KARSTEN. He just applied for the job. Mr. Simonson knew about him.

Mr. KENNEDY. Who recommended him to you?

Mr. KARSTEN. I said I didn't know. The answer is the same as I gave you before. I don't know.

Senator MUNDT. Do you know Mr. Hoffa?

Mr. KARSTEN. Certainly, I know Mr. Hoffa.

Senator MUNDT. Do you know Mr. Brennan?

Mr. KARSTEN. Yes, sir; I do.

Senator MUNDT. Did Hoffa ever come to see you?

Mr. KARSTEN. No. I have been to see Mr. Hoffa.

Senator MUNDT. Hoffa has never been in your restaurant?

Mr. KARSTEN. Yes; I think he has been in there once or twice. I don't recall.

Senator MUNDT. Has he been in your office?

Mr. KARSTEN. Yes.

Senator MUNDT. He came to see you?

Mr. KARSTEN. That is right.

Senator MUNDT. I thought you said "No."

Mr. KARSTEN. You want to mix me up.

Senator MUNDT. I don't want to mix you up.

Mr. KARSTEN. You are trying to, Senator. I want to tell the truth.

Senator MUNDT. You said he never came to see you. You said "No."

Mr. KARSTEN. That is as a regular issue. That is what I thought you meant. Does he come to see me regularly like any friend would. He comes in to eat. I have a public place open to everyone to eat in.

Senator MUNDT. He comes to see you on occasion.

Mr. KARSTEN. Once in a while. He has been up twice, I think, in years.

Senator MUNDT. You go to see him once in a while.

Mr. KARSTEN. Yes. Any time I am out in that section of town, I go to see him. If he is in, I go and see him.

Senator MUNDT. You don't negotiate with the teamsters.

Mr. KARSTEN. No; not at all.

Senator MUNDT. What are your connections with Mr. Hoffa?

Mr. KARSTEN. He is a friend of mine.

Senator MUNDT. Just on a friendly basis.

Mr. KARSTEN. Yes, sir.

Senator MUNDT. Do you know Mr. Brennan?

Mr. KARSTEN. He is a friend of mine. He owns horses the same as I do, and we have a common interest.

Senator MUNDT. Does he come to see you?

Mr. KARSTEN. Yes, sir; he comes to see me. He would like to buy one of my horses once in a while, and I would like to sell it.

Senator MUNDT. You are positive, under oath, that neither Mr. Hoffa nor Mr. Brennan ever suggested that Mr. McElroy would be a good man?

Mr. KARSTEN. No, sir.

Senator MUNDT. What?

Mr. KARSTEN. I do not know that.

Senator MUNDT. You don't know that?

Mr. KARSTEN. I don't know that.

Senator MUNDT. You don't know whether they did or not?

Mr. KARSTEN. Mr. Simonson was a partner to the negotiating committee. I can't speak for Mr. Simonson. I speak for myself. He was not recommended to me by anyone. He may have been recommended to Mr. Simonson. I can't answer for him.

Senator MUNDT. You helped pick him out.

Mr. KARSTEN. I beg pardon?

Senator MUNDT. You and Mr. Simonson picked him out.

Mr. KARSTEN. I agreed with Mr. Simonson, as a part of the committee.

Senator MUNDT. Mr. Simonson suggested him to you?

Mr. KARSTEN. He possibly did. He applied for the job, also.

Senator MUNDT. It is possible, but you don't know, yes or no, whether Mr. Hoffa or Mr. Brennan, or both, might have recommended him to Mr. Simonson?

Mr. KARSTEN. As far as I know, they did not.

Senator MUNDT. You are not positive?

Mr. KARSTEN. As far as my knowledge, they did not.

Senator MUNDT. But you don't know for sure?

Mr. KARSTEN. I mean it may have been through Mr. Simonson. He may know. I can't speak for Mr. Simonson.

Senator MUNDT. Mr. Simonson has never told you that they did not recommend him?

Mr. KARSTEN. Mr. Simonson suggested this party, and I agreed with him, and I thought it was all right. A man with that reputation and background, as I considered, personnel manager of the Wayne County Road Commission, might have some ability or he could not hold that job.

Senator MUNDT. What do you suppose your brother-in-law does with that money he wants to conceal?

Mr. KARSTEN. I don't know. He may have 2 or 3 blondes. I don't know. I can't follow him. He is younger than I am.

Senator MUNDT. It is something he is afraid might incriminate him.

Mr. KARSTEN. That would. He would get a divorce fast.

Senator MUNDT. We haven't charged him with that.

Mr. KARSTEN. I mean you are asking me a question for just a curb-stone opinion, and I am trying to give it to you, sir.

Senator MUNDT. You are insinuating that is where he is spending his money?

Mr. KARSTEN. I don't know what he does. I am kidding. I am trying to be facetious.

Senator MUNDT. That is not very facetious.

Mr. KARSTEN. You have asked me a question that I can't answer, and I am trying to give you one.

Senator MUNDT. You are sure he did not kick any back to you?

Mr. KARSTEN. Not a cent. I wish he would.

Senator MUNDT. Have you ever given Mr. Hoffa any money?

Mr. KARSTEN. No, sir.

Senator MUNDT. In any way, any financial transaction of any kind?

Mr. KARSTEN. No, sir.

Senator MUNDT. Any business transactions?

Mr. KARSTEN. No, sir.

Senator MUNDT. You have had some business transactions with Mr. Brennan.

Mr. KARSTEN. In a horse way; yes, sir.

Senator MUNDT. You buy horses, he sells horses?

Mr. KARSTEN. No; he tried to sell me. I never bought one from him. I never sold him one. I am still trying.

Senator MUNDT. What kind of business transactions?

Mr. KARSTEN. Well, we have——

Senator MUNDT. Just talking about horses is not business transactions.

Mr. KARSTEN. We fraternize, and people in the horse business do that, especially harness horses, as we have.

Senator MUNDT. Have you given him any money in the course of that fraternization?

Mr. KARSTEN. No; not a thing.

The CHAIRMAN. Is there anything further?

Mr. KENNEDY. Mr. Chairman, in connection with Mr. McElroy, who conducts labor negotiations for Mr. Karsten and the guild, he has been the recipient from Mr. Hoffa and Mr. Brennan of a loan of \$31,000. In addition to that, he has a project going, he and another gentleman, called the Mayberry Grant, which has received a loan of \$250,000 from the health and welfare fund of the teamsters.

Mr. KARSTEN. I never even heard of it, Mr. Kennedy. I never heard of it.

Mr. KENNEDY. He is also an arbitrator in labor negotiations. You say you can't remember that Mr. Hoffa or Mr. Brennan recommended him to you?

Mr. KARSTEN. I said he was not recommended through me. Mr. Simonson may have.

Mr. KENNEDY. He never spoke to you about his relationship with Mr. Hoffa and Mr. Brennan?

Mr. KARSTEN. No, sir.

Mr. KENNEDY. He never did?

Mr. KARSTEN. No, sir.

Mr. KENNEDY. He never mentioned that?

Mr. KARSTEN. No, sir.

Mr. KENNEDY. You had a strike back in 1947?

Mr. KARSTEN. 1945 or 1946.

(The witness conferred with his counsel.)

Mr. KARSTEN. I don't recall the exact date.

Mr. KENNEDY. That was the restaurant workers union.

Mr. KARSTEN. That is right.

Mr. KENNEDY. That lasted for about how long?

Mr. KARSTEN. Fifty days.

Mr. KENNEDY. And was Mr. Hoffa called in on that?

Mr. KARSTEN. Mr. Hoffa finally settled it at the end.

Mr. KENNEDY. He is the one who settled the strike?

Mr. KARSTEN. He decided that his drivers and so forth had to go back to work. They finally got together and we settled it.

Mr. KENNEDY. Did you appear before a grand jury in connection with that matter?

Mr. KARSTEN. Yes, sir.

Mr. KENNEDY. There were allegations that you had made a payment at that time to settle the strike.

Mr. KARSTEN. I don't remember, Mr. Kennedy. I know we were called. Mr. Schaefer and Mr. Simonson and I were called to the grand jury.

Mr. KENNEDY. That was in connection with the settling of that strike; is that right?

Mr. KARSTEN. I think it pertained to that.

Mr. KENNEDY. By Mr. Hoffa.

(The witness conferred with his counsel.)

Mr. KARSTEN. Honestly, Mr. Kennedy, I am trying to jog my memory.

Mr. KENNEDY. Does it jog your memory that there was a mention made of a \$6,000 payment?

Mr. KARSTEN. Yes, sir, there was, which I received from the guild because I was the only one that didn't have any source of income that was a member of the guild. They gave that to me. It is in my books and shows that the Internal Revenue Department wrote on the books.

Mr. KENNEDY. The allegation was that you were——

Mr. KARSTEN. Judge Murphy made that allegation, which was found not to be true.

Senator McNAMARA. Do I understand this \$6,000 was to compensate you for your loss of business during the 50-day strike?

Mr. KARSTEN. That is right, Senator.

Senator McNAMARA. Was this a general strike that shut down all of the members of the guild?

Mr. KARSTEN. Just the downtown section.

Senator McNAMARA. Not Greenfields?

Mr. KARSTEN. They shut the——

Senator McNAMARA. Not Greenfields at Woodward and Temple?

Mr. KARSTEN. I don't remember whether they stayed open or not.

Senator McNAMARA. That would not be considered a downtown area.

Mr. KARSTEN. I think they were closed, too. They had their Ohio restaurants, the Mills chain. Stauffers had their places in Cleveland

and various other cities. Most of the places that were struck, even Reams, had places in the outlying section. You know the country very well. S & C had places. All the remaining members that were not struck had other sources of revenue which we didn't have because we have just one place.

Senator McNAMARA. You referred to Johnson's. Were you referring to Howard Johnson's?

Mr. KARSTEN. I was referring to Johnson on Broadway. I think his name is Johnny Johnson, or Jim.

Senator McNAMARA. I know where the place is.

Mr. KARSTEN. He has a place in the north now, lighting cigarettes with dollar bills. We are not doing it downtown, though.

Senator McNAMARA. Then your testimony is that the \$6,000 was paid to you at the conclusion of this 50-day strike period?

Mr. KARSTEN. Yes, sir; for a loss of \$43,000, we were given \$6,000.

Senator McNAMARA. By the guild?

Mr. KARSTEN. That is right, by the guild, which was so stated at the grand jury, and shown to be so. It was never denied.

Senator McNAMARA. Did the grand jury interpret that as something that was given to you as a payoff?

Mr. KARSTEN. That is right.

Senator McNAMARA. Do you have any contracts with the teamsters union?

Mr. KARSTEN. Conference?

Senator McNAMARA. Contracts.

Mr. KARSTEN. No; none at all.

Senator McNAMARA. You have no connections with them?

Mr. KARSTEN. Not at all.

Senator McNAMARA. Your business is with the hotel restaurant employees?

Mr. KARSTEN. That is right. The joint council which includes the bartenders, waiters and waitresses, and cooks.

Senator McNAMARA. One contract?

Mr. KARSTEN. Yes, sir. The joint council, they call it.

The CHAIRMAN. Is there anything further?

Mr. KENNEDY. That is all.

The CHAIRMAN. You may stand aside.

The committee will stand in recess until 10 o'clock tomorrow morning.

(Present at the time of taking the recess: Senators McClellan, Mundt, and McNamara.)

(Whereupon at 5:55 p. m., a recess was taken until Thursday, September 26, 1957, at 10 a. m.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

THURSDAY, SEPTEMBER 26, 1957

UNITED STATES SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES IN THE
LABOR OR MANAGEMENT FIELD,
Washington, D. C.

The select committee met 10 a. m., pursuant to Senate Resolution 74, agreed to January 30, 1957, in the Caucus Room, Senate Office Building, Senator John L. McClellan (chairman of the Select Committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Pat McNamara, Democrat, Michigan; Senator Karl E. Mundt, Republican, South Dakota.

Also present: Robert F. Kennedy, chief counsel; Carmine S. Belino, accounting consultant; Pierre E. G. Salinger, investigator; Arthur Kaplan, assistant counsel, Ruth Young Watt, chief clerk.

The CHAIRMAN. The committee will be in order.

(Members of the committee present at convening of the session: Senators McClellan and Mundt.)

The CHAIRMAN. The Chair would make this brief announcement. I believe yesterday we stated that we had had Mr. Dranow examined by physicians and found that he was not able at this time to appear as a witness, but it would be expected that he would be able to travel and to appear here within the next 2 weeks. We have also had another witness checked, Mr. Henry Lower, who is a very important witness, and who claimed he was too ill to attend. We find that he is able to travel and as far as we can ascertain at this time has no reason why he should not respond to the subpoena and be here. We shall expect him here Saturday.

Another witness, Mr. John Betante, of Detroit, since being interviewed and agreeing to be here——

Mr. KENNEDY. No; he did not.

The CHAIRMAN. Since being interviewed, he is another one of those who has made himself unavailable, and we are unable to locate him. But we are trying to find him and serve him with a subpoena, and that effort will be continued.

Mr. Counsel, do you have some matter this morning not in connection with this particular hearing?

Mr. KENNEDY. I might say in connection with Mr. Betante that we have contacted his family, and his family told us that he has left town and they don't know where to reach him. We are making some efforts and they have been unavailing so far.

Mr. Chairman, we just have a witness here who has some documents that we want to have turned over to the committee, and that is Mr. Cohen, who is president of 107 of Philadelphia.

Mr. KENNEDY. Mr. Buddle.

The CHAIRMAN. Mr. Buddle, come around. Will you be sworn?

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. BUDDLE. I do.

TESTIMONY OF HAROLD H. BUDDLE

The CHAIRMAN. Be seated. Will you state your name, your place of residence, and your business or occupation please, sir?

Mr. BUDDLE. Harold H. Buddle, Rural Route 3, Hagerman Lake, Iron River, Mich., Iron County; presently unoccupied, formerly operator and owner of automobile sales and service station.

The CHAIRMAN. Automobile sales and service station?

Mr. BUDDLE. Yes, sir.

The CHAIRMAN. How long since you operated it?

Mr. BUDDLE. Two years.

The CHAIRMAN. You have been unemployed for the past 2 years?

Mr. BUDDLE. That is right.

The CHAIRMAN. Mr. Buddle, are you familiar with the rules of the committee which grant you the right to have counsel present to advise you with respect to your legal rights while you testify?

Mr. BUDDLE. Yes, sir.

The CHAIRMAN. Have you elected to waive counsel?

Mr. BUDDLE. Sir?

The CHAIRMAN. Do you waive counsel?

Mr. BUDDLE. Yes, sir.

The CHAIRMAN. You are willing to proceed with your testimony. All right, Mr. Kennedy.

Mr. KENNEDY. You have had a place near Iron River, Mich., did you, Mr. Buddle?

Mr. BUDDLE. Sir?

Mr. KENNEDY. You have had a place near Iron River, Mich.?

Mr. BUDDLE. Yes, sir.

Mr. KENNEDY. Do you know Mr. Hoffa?

Mr. BUDDLE. I have met Mr. Hoffa on four occasions.

Mr. KENNEDY. He has some property near there?

Mr. BUDDLE. Approximately 40 miles from there.

Mr. KENNEDY. And he purchased the property from you?

Mr. BUDDLE. Yes, sir.

Mr. KENNEDY. Did you supervise some work on that property for a while?

Mr. BUDDLE. Yes, sir.

Mr. KENNEDY. That was during 1956?

Mr. BUDDLE. Yes; 1956.

Mr. KENNEDY. Did Mr. Hoffa send some—

Mr. BUDDLE. Can I make another statement there?

Mr. KENNEDY. Yes; please.

Mr. BUDDLE. I helped him establish credits and get materials. I didn't do any supervision of buildings.

Mr. KENNEDY. But you lived near the property?

Mr. BUDDLE. About 40 miles.

Mr. KENNEDY. During this period of time, during the summer of 1956, were there some individuals or some men up there doing some work on Mr. Hoffa's property?

Mr. BUDDLE. Yes, sir.

Mr. KENNEDY. Did you have contact with those men?

Mr. BUDDLE. Practically every evening.

Mr. KENNEDY. They were up there from about the middle of July or right after the Fourth of July 1956?

Mr. BUDDLE. Yes, sir.

Mr. KENNEDY. And they were up there through September 1956?

Mr. BUDDLE. Yes, sir.

Mr. KENNEDY. Could you tell us who those men were?

Mr. BUDDLE. I definitely know Mr. Bush.

Mr. KENNEDY. Mr. Al V. Bush?

Mr. BUDDLE. Yes, sir.

Mr. KENNEDY. Mr. Chuck O'Brien?

Mr. BUDDLE. Yes, sir.

Mr. KENNEDY. Those two gentlemen were up there?

Mr. BUDDLE. Yes, sir.

Mr. KENNEDY. And they were up there shortly after the Fourth of July up through most of September; is that right?

Mr. BUDDLE. That is right.

Mr. KENNEDY. And they were doing work around this property of Mr. Hoffa's?

Mr. BUDDLE. Yes, sir.

Mr. KENNEDY. Can you say that you had almost daily contact with them?

Mr. BUDDLE. Evenings.

Mr. KENNEDY. During the evening they would come by?

Mr. BUDDLE. They made their calls and calls from Detroit came to Mrs. Buddle during the day and evening and many times we delivered the message during that evening.

Mr. KENNEDY. Do you know what type of work they were doing up there?

Mr. BUDDLE. Construction work; they were putting up 2 quonset huts, 1 for a garage and 1 for a lounge and messhall.

Mr. KENNEDY. Did other people come up there occasionally?

Mr. BUDDLE. Yes, sir.

Mr. KENNEDY. And do work?

Mr. BUDDLE. Yes, sir.

Mr. KENNEDY. Do you know any of their names?

Mr. BUDDLE. I know Mr. Hoffa, Mr. Holmes, and there were several others, but I am not too familiar with them.

Mr. KENNEDY. These were the two you saw most frequently and they were the 2 who stayed there during this some 2½- or 3-month period of time; is that right?

Mr. BUDDLE. Yes.

Mr. KENNEDY. Your answer is "yes"?

Mr. BUDDLE. Yes.

Mr. KENNEDY. That is all, Mr. Chairman.

The CHAIRMAN. Are there any further questions?

Senator MUNDT. What was the nature of the construction? You say it was a garage and messhall?

Mr. BUDDLE. Yes, sir, that is right.

Senator MUNDT. Was this a private home they were building there?

Mr. BUDDLE. It was our private home, but it was not large enough for their 20 people who hunt there.

Senator MUNDT. This was a hunting lodge?

Mr. BUDDLE. Yes, sir.

Senator MUNDT. They added to your home?

Mr. BUDDLE. I had two places there, I had a guest cabin and our own home, and that only accommodated about half enough places.

Senator MUNDT. They were transforming your private home into a hunting lodge?

Mr. BUDDLE. That is right.

The CHAIRMAN. All right.

Mr. KENNEDY. That is all. Thank you very much, Mr. Buddle, we appreciate your help.

Mr. Bellino.

TESTIMONY OF CARMINE S. BELLINO—Resumed

The CHAIRMAN. Proceed, Mr. Bellino.

Mr. Bellino has been previously sworn.

Mr. KENNEDY. Mr. Bellino, are you familiar with the names of Mr. O'Brien and Mr. Bush?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. And have you seen them on the payrolls of certain unions?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Could you tell us what you have found?

Mr. BELLINO. Charles O'Brien was on the payroll of local 876 for the entire year of 1956.

Mr. KENNEDY. That is local 876 of the retail clerks?

Mr. BELLINO. The retail clerks union.

Mr. KENNEDY. And that retail clerks union has been a member of the joint council of teamsters?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. And that local has its headquarters in the Teamsters Building in Detroit?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. And it is that local that was seized by the International Retail Clerks about a week ago; is that right?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. And put in trusteeship?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Would you continue? You found Mr. O'Brien on the payroll of that local?

Mr. BELLINO. On local 876 for the entire year of 1956. Mr. Alvy Bush was on the payroll of local 614, and he had 2 weeks' vacation in September of 1956 and it indicates he was not paid during the 2 weeks he had vacation.

Mr. KENNEDY. But during the period of July, August, and September of 1956, Mr. O'Brien was a paid employee of the retail clerks?

Mr. BELLINO. Mr. O'Brien was a paid employee of the retail clerks for the whole year of 1956.

Mr. KENNEDY. But, during that particular period of time, according to the testimony of the previous witness, he was up doing some work on Mr. Hoffa's property?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. And he was being paid at that time by the retail clerks; is that right?

Mr. BELLINO. That is correct.

Mr. KENNEDY. And Mr. Bush was on the payroll of local 614 of the teamsters?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. And, according to Mr. Buddle's testimony, he was up doing work on Mr. Hoffa's property for most of July, August, September, and during that period of time he had 2 weeks' vacation, but the rest of the time he was supposed to be doing his work for local 614 of the teamsters?

Mr. BELLINO. That is correct.

Mr. KENNEDY. Could you tell us how much Mr. O'Brien was being paid by the retail clerks?

(At this point, Senator McNamara entered the hearing room.)

Mr. BELLINO. Mr. O'Brien received in July—and I can give you the total for July and August, approximately \$2,000.

Mr. KENNEDY. \$1,000 in July and \$1,000 in August?

Mr. BELLINO. That includes expenses, and his salary.

Mr. KENNEDY. He received expenses during that period of time?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. How much expenses did he receive?

Mr. BELLINO. There are expenses about \$450.

Mr. KENNEDY. Out of that \$2,000, about \$450 was expenses?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Did he receive a similar amount in September? That is, \$1,000?

Mr. BELLINO. \$650, approximately, altogether in September.

Mr. KENNEDY. So, he received altogether about \$2,650?

Mr. BELLINO. Approximately; yes, sir.

Mr. KENNEDY. How much, approximately, were expenses for September; do you have that?

Mr. BELLINO. \$210.

Mr. KENNEDY. He received about \$2,650 during this 3-month period, of which approximately \$600 or \$650 was expenses; is that right?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. During this period of time, when he was working up on Mr. Hoffa's property?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Do you have the figures for Mr. Bush?

Mr. BELLINO. No, sir; the information did not actually come down on the total amount he received, but we know he was on the payroll, and he was being paid throughout 1956, except for 2 weeks in September.

Mr. KENNEDY. And he was a business agent, was he?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. As I understand this, these salaries and expenses were paid at a time when they were working on this private project.

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Do we have a record of how much time they spent up there, working on the private project?

Mr. BELLINO. From the testimony of Mr. Buddle only. It was 21½ months.

The CHAIRMAN. During that period of time?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. You are giving the salaries and expenses paid out of the union to Mr. O'Brien during the time he worked on this private project?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. All right.

Senator McNAMARA. Did you find out who has title to this property?

Mr. BELLINO. Hobern Corp., which is Mrs. Hoffa's. That is, Hoffa and Brennan.

Senator McNAMARA. They are incorporated under that name? Are they incorporated under the State of Michigan law?

Mr. BELLINO. Yes, sir.

Senator McNAMARA. Is this a nonprofit corporation?

Mr. BELLINO. I believe it is a trucking company.

Senator McNAMARA. Then the trucking company owns the camp, and the combination name has been registered as Hobern?

Mr. BELLINO. That is correct.

Senator McNAMARA. Thank you.

The CHAIRMAN. Is there anything further?

Call the next witness.

Mr. KENNEDY. Mr. Bert Brennan.

The CHAIRMAN. Mr. Brennan, will you come around, please?

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. BRENNAN. I do.

TESTIMONY OF OWEN B. BRENNAN, ACCOMPANIED BY HIS COUNSEL, GEORGE S. FITZGERALD

The CHAIRMAN. State your name and your place of residence and your business or occupation.

Mr. BRENNAN. Owen B. Brennan, 4181 Wilcox Road, Plymouth, Mich., president of local 337, teamsters union, located at 2741 Trumbull Avenue, Detroit, Mich.

The CHAIRMAN. Let the record show that Mr. Fitzgerald is appearing as counsel for Mr. Brennan.

Mr. FITZGERALD. May I address the Chair?

The CHAIRMAN. All right, Mr. Fitzgerald.

Mr. FITZGERALD. Now, the matter of Mr. Brennan and his testimony, Mr. Chairman, ties in with two other witnesses. One of them is here this morning, and that is Mr. Frank Collins; and Mr. James Hoffa, who is under, let me term it, an open subpoena to appear when requested.

The CHAIRMAN. The Chair may advise that he had intended to call Mr. Hoffa possibly Saturday of this week.

Mr. FITZGERALD. Would the Chair care for me to make a statement now with respect to all those people, because it all interlocks?

The CHAIRMAN. Let us start with Mr. Brennan, and were you going to make some statement with reference to Mr. Brennan?

Mr. FITZGERALD. I was, Mr. Chairman.

The CHAIRMAN. Let us dispose of that one first and then proceed to the others.

Mr. FITZGERALD. This interlocks with Mr. Hoffa and Mr. Collins.

The CHAIRMAN. You have been very nice to the committee and the Chair will defer to you to present it.

Mr. FITZGERALD. I can't talk about Mr. Brennan without referring also to Mr. Hoffa and Mr. Collins.

The CHAIRMAN. All right.

Mr. FITZGERALD. The situation with respect to Mr. Brennan is that Mr. Brennan is at the present time under indictment in what I believe is the southern district of New York on a charge of a violation of the Federal communications law, a conspiracy to violate section 605 of that law.

The CHAIRMAN. That is Mr. Brennan here?

Mr. FITZGERALD. Yes, Mr. Owen D. Brennan. Mr. James Hoffa is also a codefendant, and Mr. Vernon Spindel, who is not a union officer or member is also a codefendant.

Now, before that particular indictment was returned by the grand jury in New York, Mr. Brennan, Mr. Hoffa, and Mr. Collins, along with other teamsters officials, were called as witnesses and testified before the grand jury. Yesterday an indictment was returned in the southeastern district of New York by the grand jury charging Mr. James Hoffa with perjury in 5 counts, and a separate indictment charging Mr. Frank Collins of perjury involving 12 counts.

That bears this relationship to Mr. Brennan. Mr. Brennan testified to the same subject matter as these other two gentlemen. I, as counsel, am apprehensive that at any time Mr. Brennan might be indicted by that grand jury. I have no definite reason or information to base that statement on, except my general apprehension as a lawyer.

Now, we have no knowledge, or I have no knowledge except what I have read in the public press of the scope of that indictment, either against Collins or Hoffa, or of the details involved or of the legal significance of it. The question in my mind now is the position that Mr. Brennan is in. I could deal with that first. I know I am taking a little time, but I want my position on the record, if I may have the indulgence of the Chair.

Mr. Brennan originally came down and we filed a statement which partook of the nature of a question. Mr. Brennan in that statement stated that he was ready and willing to testify to all matters concerning the union or any branch of the union that he was familiar with, and also ready and willing to testify with respect to his union activities over the years. There was a qualification stated by him, and that was that he respectfully questioned the authority of the committee to demand from him his personal records or to demand from him testimony relating to his personal business. It was set up in that statement that if the committee could advise him whether or not they would recommend a contempt citation because of his failure to do that, he wanted to know that ahead of time, because it was upon the attitude

of the committee that he would base his testimony or his refusal to testify here.

Now, I think under the present circumstances, Mr. Chairman, we have had an entirely new situation develop. The testimony upon which they predicate the indictment against Mr. Hoffa is based upon his relationship with Bernard Spindel and what he might have said about Spindel to another man named John Dioguardi. Now, Brennan is definitely involved in that, because that relates to the same identical subject matter upon which Mr. Brennan has been indicted in the southeastern district of New York.

We realize, in considering all of these matters, that the public interest must be first served, but we realize further that the public interest in many instances can be best served by giving a preliminary consideration to the rights of any individual. In this particular case we have the rights not only of Brennan, Hoffa, and Collins to consider, but we have the broad general principle as to whether or not there is any governmental interference with due process.

The case against Mr. Brennan on wiretapping is set in New York for October 15. The executive arm of the Government is proceeding not only to demand the trial on the 15th on the wiretapping charge, but also is demanding arraignment of these other men on perjury growing out of the wiretap investigation by the grand jury.

Senator MUNDT. May I ask a question there? This explanation you are making, I can see, has considerable validity with relation to any questions we might ask about the wiretapping. I take it it would not apply to questions we want to ask Mr. Brennan which are entirely divorced from the wiretapping case; is that right?

Mr. FITZGERALD. No, Senator Mundt, I don't believe so. I am trying to state, and I was coming perhaps a little slowly to the point I was trying to make, and if you will bear with me, I think you will see it is much broader than that, and my reasons are much broader.

Now, the problem we have, and the problem I know that this committee has, is to accommodate the interests of Government with the rights and the privileges of the individual. If there was going to be any interference with the operation of Government as symbolized by this committee today, then I could not in anywise take the time of this committee to state any objections to proceeding further with Mr. Brennan or Hoffa or Collins. But this committee is going to have, in my judgment, and I think in the judgment of everybody concerned, a long life. This committee is going to proceed forward daily and monthly to perform its function, and I would be the first one to say that that is a good thing. I cannot see why with respect to Mr. Brennan at this particular moment that this committee could not in all justice to him, and in all justice to itself, defer the questioning of Mr. Brennan until such time as counsel I have had an opportunity to properly apprise myself of the legal significance of the indictment in New York now, and also to apprise myself of the details and the scope of that particular indictment, and to learn whether or not it could affect Mr. Brennan either directly or indirectly.

I am in this position this morning with respect to him. I can hardly tell him with any certainty exactly what his rights are and make any recommendation to him not only as a friend or as a lawyer, as to what course he should pursue before the committee. If this

questioning of Mr. Brennan is deferred, it is quite likely that Mr. Brennan could come before this committee at a later date subsequent to the 15th of October, when we will have a copy of these indictments in New York, and he might be able to assist this committee and make complete disclosures. But at the present moment, I cannot advise him to do that in justice to myself as a lawyer, and I cannot advise him to do that in justice to him as my client.

Now, in these things that I am saying, I think we are dealing here with a very broad principle. In these indictments and everything that has been happening on the eve of this convention, we have indictments official from the Government, and we have subpoenas from the Government, from the legislative branch, while the executive branch is returning indictments, and we have the AFL-CIO ethical practices committee and the executive council of that organization giving unofficial indictments, until they are dropping around us like confetti at a county fair. Frankly speaking, I am only one man.

Senator MUNDT. You would not suggest that the processes of law and government desist because the convention is coming along?

Mr. FITZGERALD. Oh, no, I don't make it for that reason, and I know that. I could not do that.

Senator MUNDT. We don't have our hearings or our subpoenas for that reason. It just happens to coincide.

Mr. FITZGERALD. I agree with you, Senator, and that is not the point I am making. The point I am making is this: With respect to Mr. Brennan and Mr. Hoffa and Mr. Collins for the past 6 weeks the committee staff has been in the city of Detroit. I was authorized by all of those officials of the union that I have mentioned to turn over every document and paper that we had to the committee staff. I was also instructed without subpoena to bring those people to Washington when advised to do so by Mr. Kennedy. We did that. I think Mr. Bellino and Mr. Kennedy could say that I have given full time to them without compensation from the committee in producing all of those records.

Senator MUNDT. You can italicize those words "from the committee."

Mr. FITZGERALD. All right, I will get paid by somebody.

The CHAIRMAN. Let us proceed.

Mr. FITZGERALD. Actually, the point I am making is this. We are in a somewhat healthy position to make this request, in my humble judgment, because we are not in the position of people that have tried to obstruct or tried to hide anything. We have given you everything that we can possibly give you. Now we are merely asking that until such time as we can properly apprise ourselves of the situation so that we can apprise them of their rights, that the questioning be deferred.

I don't like to see any of these witnesses—and we haven't had any so far and I have never appeared before any congressional committee with a witness that took the fifth amendment. I don't say that with pride, because I think that the use of the fifth amendment is justified in a proper use, but it so happens that that is the case. For that reason, I am going to ask the Chair and ask the committee to give as careful consideration as possible to the request we are making before you make judgment on it.

I think that the legal rights not only of the Government as symbolized by the committee, but the legal rights and privileges of these men who are appearing here as witnesses, should be properly equated and should not be dealt with summarily.

The CHAIRMAN. May I ask you a question? Is Mr. Collins here?

Mr. FITZGERALD. Mr. Collins is here. Now, with respect to him, and this will save time so that I won't repeat myself—

The CHAIRMAN. If there is anything additional you wish to say with respect to Mr. Collins and Mr. Hoffa, I suggest that you proceed now so that we can consider it at this time.

Mr. FITZGERALD. Mr. Collins is in this position. Mr. Collins came here fully prepared, and I say this in complete good faith, to make a complete disclosure and answer all of the questions of the committee or the general counsel. Mr. Collins made a complete statement not under any compulsion but he voluntarily appeared and talked to Mr. Bellino and Mr. Kennedy for some period of time. Mr. Collins would do the same thing here.

When this matter arose yesterday, where we find he is indicted, his decision, or I should not say it is his decision, let me put it this way—in all good faith it is my decision that I don't believe that Mr. Collins can properly testify here and I don't think that I as a lawyer can properly advise him what he should do without knowing the situation.

With respect to Mr. Collins, there was no qualification upon his appearance here.

Now, with respect to Mr. Hoffa, when I was advised somewhat informally yesterday by Mr. Kennedy that Mr. Hoffa might be wanted Saturday, I might say that we did not answer the wire of the chairman because I was going to appear personally here myself anyway, and the failure to answer you was not meant as any discourtesy to the committee or to the chairman. I thought if I was called upon, I could have at any time made an explanation.

With respect to Mr. Hoffa, when I found from Mr. Kennedy that the committee might call Mr. Hoffa on Saturday, I explained the position to Mr. Kennedy with respect to Mr. Hoffa. Last evening I was able to contact Mr. Hoffa and Mr. David Previant, who is co-counsel with me for Mr. Hoffa in Miami. We discussed the situation. It was decided that we would address a letter to the chairman and state our position in that letter and request the Chair and the committee to defer the questioning of Mr. Hoffa for the same reasons that I have stated here.

As I stated, we must not only concern ourselves with the interests of the public, but we must concern ourselves with the rights and the privileges of the individual. I have set that all out in the letter and the reason it is not here is because I had to write it this morning, and I left it in the hotel for dictation, and I will have it perhaps before the morning is over.

The reasons I set up in the letter are practically what I have said here off the cuff. This has been somewhat jumbled, and I hope you will excuse me on it because I am talking about three people at one time.

I think another point I would like to make with respect to this is that a lawyer will recognize that this isn't just a simple indictment for assault and battery or some well-defined crime. We are dealing here with an indictment for perjury, and I think any lawyer will agree

that the law of perjury is a somewhat mercurial thing in the sense that it involves whether or not the questions asked are material to the matter under inquiry, and it involves whether or not the questions asked and the answers given if considered in the full context of the man's testimony, might or might not be perjury.

All of those things are going through my mind, and I am passing them on to the committee in justification of the position that we are taking here this morning.

I might say in all seriousness that in this situation I am not trying to be dilatory. I am not trying to obstruct in any way the operation of the committee. We know that Mr. Hoffa has testified for 4 days. We know all the situation with the books and records. I know you have no control over the executive branch of the Government and what they do. We have decisions of the Supreme Court in the Watkins case recently. We have the Delaney case which was decided some time ago, Mr. Chairman, with respect to the question of bringing a man to trial shortly after he has been under the spotlight of a congressional investigation.

I won't burden you with all of those things, but those things are what are in my mind at the present time. I think there could be very serious doubts whether or not the Government—I don't confine it to this committee—itself is according due process in this situation. I am not saying they are not. I am merely saying it is a serious question which I as a lawyer would like to make up my mind about before going any further.

So for that reason I am going to ask now that the questioning of Mr. Brennan be deferred. If the Chair or committee decided to go ahead, then I will have to advise Mr. Brennan under the present circumstances he must exercise his privileges under the fifth amendment. I am very reluctant to do it, but we must take that position.

With respect to Mr. Collins my position would be the same. If I may, I would like to read now the letter—maybe I don't read it, but I give it to the Chair.

The CHAIRMAN. You may read it. It will be a part of your statement.

Mr. FITZGERALD. This is addressed to Hon. John McClellan. I might say it is a good thing that I wrote this letter before I got to thinking about it, or it would have been 4 pages instead of this 1. It is much more concise than what I have said this morning.

The CHAIRMAN. I think possibly what you have said has implemented the letter.

Mr. FITZGERALD. Yes, sir. This is addressed to Hon. John McClellan, chairman of the Senate Select Committee on Labor, Senate Office Building, Washington, D. C.

DEAR SENATOR: Yesterday after a brief discussion with Mr. Robert Kennedy, chief counsel for the committee, I telephoned Mr. James Hoffa and Mr. David Previant, who has acted with me as counsel for Mr. Hoffa. Both gentlemen are presently in Miami, Fla. Because of recent developments, particularly the indictment returned by a Federal grand jury against Mr. Hoffa in New York City, and the fact that Mr. Hoffa is under what might be termed an open subpoena from the committee, Mr. Previant and myself thought the situation should be reappraised. As attorneys for Mr. Hoffa, we fully realize that the public interest must be served, but we are also mindful of the fact that in many instances the public interest can be best served by a primary consideration for the rights and privileges of the individual.

Considering Mr. Hoffa personally, we know you are aware that he has already appeared before the committee and testified for 4 days, that he has cooperated in making his personal records and all union records under his control available to the committee. That as his attorneys we have been given full authority by him to assist the committee in every reasonable manner possible. We believe the record shows that we have fully cooperated in the production of records and witnesses even without subpoena.

Mr. Previant and myself now feel that a proper consideration of Mr. Hoffa's present legal position requires that any further questioning of our client be deferred by the committee until we as his counsel have sufficient opportunity to acquaint ourselves with the scope and details of the recent indictment. After we have had such opportunity, we shall be pleased to contact you or await word from you at your convenience. Acting, therefore, in behalf of Mr. Hoffa, we respectfully ask that if he is to be recalled, a date be subsequent to October 15, 1957, because on that day he will be arraigned in New York City on the perjury indictment.

With best personal wishes,

Very truly yours,

MR. GEORGE S. FITZGERALD.

The CHAIRMAN. Mr. Fitzgerald, is the 15th the date he will be arraigned on this new indictment?

MR. FITZGERALD. Yes, Mr. Chairman.

The CHAIRMAN. That is the date set for the arraignment on the new indictment?

MR. FITZGERALD. That is right. That incidentally is the date set in the other case also.

The CHAIRMAN. Both cases?

MR. FITZGERALD. Yes.

Senator MUNDT. Mr. Fitzgerald, would the timetable that you suggest in your request, if accepted, indicate that shortly after October 15 these three men would be available to testify, or does this mean that the trial goes on for weeks or months?

MR. FITZGERALD. No. Maybe I have misled you.

Senator MUNDT. I am thinking in terms of a time when it might be possible to hear them, assuming we go along with your request.

MR. FITZGERALD. Let me estimate this. In the first place, the arraignment in New York on the recent indictment—the perjury indictment—takes place on October 15. At that time, no time would be taken with that particular matter outside of his appearance in the court and the entering of the plea of guilty or not guilty. By that time certainly we know exactly what his legal rights and situation would be under that indictment.

Senator MUNDT. Do I understand that by that time you will be able to stake out those areas where we might be able to ask questions and those areas where we should avoid asking questions because they are involved in the indictment?

MR. FITZGERALD. That is true. Now, we have this other consideration. On the 15th of October the wiretap case—I call it the wiretap case—or the conspiracy to violate section 605 of the Communications Act—has been set for trial. I have tried to contact Mr. Sal Gobe, who is the attorney representing Mr. Hoffa in New York on that matter, to find out what the position of the district attorney is on that. I can hardly conceive of him arraigning a man on a perjury indictment on the same date that they start a trial in another case. That case is actually set for trial.

The CHAIRMAN. Is the communications case set for trial on October 15?

Mr. FITZGERALD. On October 15.

The CHAIRMAN. You do not anticipate actually going to trial?

Mr. FITZGERALD. All I know is that the court has set the date down. From a practical standpoint I, as a lawyer, state I can't see how they are going to arraign a man on another case one day and go on trial that date. Actually as far as the record is concerned, they could. They wanted motions filed in that case, Mr. Chairman, prior to October 3 or 4. If that case is tried—when Senator Mundt talked of a timetable—I think the case would perhaps take not over a week or 10 days to try. Ten days at the outside, perhaps less.

The CHAIRMAN. As to Mr. Hoffa and Mr. Collins, I can appreciate that there is somewhat of a difficult situation by reason of this new indictment.

Mr. FITZGERALD. Mr. Chairman, may I interrupt? I am sorry. Mr. Brennan calls my attention to this. So that you will know as far as timetable is concerned, we are filing a motion in New York under the ruling of, I think, the circuit court of appeals decision in the Delaney case that the conspiracy to violate the Federal Communications Act provisions be adjourned for a considerable length of time on the grounds that Mr. Hoffa or neither Mr. Hoffa nor any of the defendants could in the light of all this publicity in the present climate receive a fair and impartial trial. If that motion is granted, that case would be set over for some period of time, and we would have no problem right after the 15th of October.

I am sorry to interrupt but I wanted you to know that.

The CHAIRMAN. Let me say this. As to Mr. Hoffa and Mr. Collins, this new indictment—I have no information as to what the charges are other than general information that it is perjury—I assume relates to perjury committed before the grand jury in New York. Is that correct?

Mr. FITZGERALD. That is correct, Mr. Chairman.

The CHAIRMAN. I do not know the full scope of that grand jury inquiry other than as a result, I think, the first indictment for conspiracy to violate the Federal Communications Act would result.

Mr. FITZGERALD. May I add this for your information which I think would help. I do this not to intrude, but to be helpful.

The grand jury in New York went beyond merely the investigation as to whether or not there was a violation of the Federal Communications Act. The grand jury in New York subpoenaed all the records of local 299, financial and otherwise. The original records were furnished to them within 48 hours after they called upon us to produce them. So that the scope of the inquiry in New York before that grand jury—and I base my belief upon the duces tecum subpoena—covers the entire activity of local 299 of the teamsters union from 1953 up to the present time. They have all the records. So that must be the entire scope of their inquiry, and that goes into all the union activities, which would necessarily be the same subject matter that this committee would concern itself with also.

The CHAIRMAN. The Chair would say that when Mr. Hoffa appeared here recently as a witness, we did undertake to avoid going into any activity or any evidence relating to what we understood to be the subject matter of the indictment on the Communications Act. We did proceed with other subject matters that we thought were un-

related to the charges in that particular indictment. I do not know—I cannot know at this moment—what this last indictment may contain in support of the allegation of how perjury was committed. Until the Chair knew that it would be very difficult for us to determine how to question Mr. Hoffa or Mr. Collins if they were before us as witnesses. I can appreciate that. There is considerable merit in what you say with respect to Mr. Collins and Mr. Hoffa. I am not passing on it at the moment. I want to have a conference with other members of the committee, but we get back now to Mr. Brennan. He is not under indictment; am I correct?

Mr. FITZGERALD. He is under indictment on the wiretapping conspiracy charge. He is not under indictment for perjury; no.

The CHAIRMAN. I understand as to the wiretapping, but we have disposed of that. We have set precedent on that. We proceeded. We naturally wanted to accord the same consideration to Mr. Brennan as to the wiretapping case as we did to Mr. Hoffa, but we would be justified after having established that precedent, which I think is right, in not according Mr. Brennan any greater privilege or immunity than we accorded to Mr. Hoffa. Therefore, on that wiretapping case, I don't feel that we would be justified in excusing Mr. Brennan from testifying with respect to other matters.

Counsel states that he anticipates—that may be too strong a word, but there is some reason to believe from your view point—that he may yet be indicted in connection with these perjury charges or the testimony he gave before the grand jury. This presents a situation that is a little awkward, but just from a practical viewpoint if we set a precedent here, are we excusing a witness from testifying because he says he may some day be indicted on the issue. I don't know that we would get very far on these hearings. I am trying to rationalize this thing. You have a little more justification than a fellow who just came in and said, "I may be indicted someday. I don't want to testify." But we do have this, that others who testified regarding the same subject matter have been indicted on perjury.

I don't like someone to take the fifth amendment as a matter of protection if there is reason to believe that they have information and would tell the truth if they were free to do so. I agree with you, what you said about the fifth amendment. I think it is an instrumentality of law that is a basic right that should be respected when it is in good faith invoked. When it is used capriciously, I have no respect for it, but contempt. It presents a very difficult problem here. I think maybe we better take about a 5-minute recess.

Are there other questions you gentlemen wish to ask?

Senator MUNDT. Before we recess, I would like to ask a question. One thing Mr. Fitzgerald said disturbs me. He said he was going to petition the court to delay the trial for a considerable amount of time because he felt that, with the investigation on, such a climate is being created that he does not think his clients could get a fair trial. What disturbs me is, if you are not going to have a trial while the investigation is on, and we can't have the investigation while the trial is pending, how do we break this Gordian knot?

Mr. FITZGERALD. Senator Mundt, if I may answer that, the reason I told you that I wanted to make a complete disclosure to you, was No. 1, I didn't want to say that the trial is on and not disclose the fact why we are asking for a delay.

Senator MUNDT. We have to start some place. If the trial can't proceed while the committee is in session and the committee cannot operate while the trial is spending, we get stuck on "High Street" and can't get off.

Mr. FITZGERALD. Of course, the Government can always get off. Sometimes the individual can't get off. I appreciate what you mean. However, here is the situation. Let us say it is nobody's fault that either the Government as symbolized by the United States attorney's office in New York, or the Government as symbolized by the court or the Government as symbolized by this committee, that a person could not receive a fair trial. The test is not who is to blame for it, as I see it as a lawyer. It is merely a question that the court covered very clearly in this Delaney case, and I think it was the circuit court that covers the State of Massachusetts, and said in that case that regardless of who is to blame, even if nobody is to blame, that the defendants were within their rights in submitting to the court the question as to whether or not the climate was such that a person's rights to a fair and impartial trial might be affected, and the court in the Delaney case held very definitely that because of the fact that he had been under the searchlight of a congressional inquiry—not that he should not be tried at all—but merely, to assure him of a fair trial, that the case should be adjourned for a considerable length of time. In other words, I don't say that any branch of the Government should stop while another is operating, or that one should be used as a check upon the other.

Senator MUNDT. No; but you imply that neither branch can start.

Mr. FITZGERALD. No.

Senator MUNDT. You don't want us to start until the trial has been held, and you don't want the trial to be held until we stop. We can't stop because we have to continue our work. I am trying to get the train back on the track.

Mr. FITZGERALD. No; here is the situation. If I was saying that everybody should go home and stop, I would be wrong. The only delay that this committee would experience would be the matter of 30 days.

Senator MUNDT. That is what I am trying to find out, the timetable.

Mr. FITZGERALD. That is right.

Senator MUNDT. Quite apart from what the court does with your plea to delay the trial, you feel that these gentlemen would be ready to testify substantially around the 1st of November?

Mr. FITZGERALD. Absolutely. I was not asking for any unreasonable delay. As a matter of fact, if the case is delayed they would be ready right after the 15th of October to come in and make their position one way or another. It would depend upon all the other circumstances. I say all things being equal, even if the case proceeds in New York, the only thing we are asking this committee for is that they defer the questioning on these 3 people for a period of, say, 30 days. That is all. I don't think that is unreasonable.

Senator MUNDT. The extent of your request to us that we are to consider during our little recess conference is substantially a delay of 30 days.

Mr. FITZGERALD. That would be right; yes. The only addition to that would be if the case started on the 15th of October and it took

10 court days, it might run a little better than the 30 court days, but no more.

The CHAIRMAN. Before we recess—I was thinking we might recess until 1:30 and come back at that time—the Chair would like to observe, or, rather, I will announce, first, that the committee is going to have a conference and weigh this thing very, very carefully. I know, under the stress of what I might term aggravation, sometimes we might make decisions that appear to be harsh at the time. This committee will never be perfect. We are just human beings. We want to observe all proprieties and rules of fairness. We also want to guard against any imposition that might be attempted, and I am certainly not, in this instance, implying any, because I say to you again, Mr. Fitzgerald, you have been very cooperative with the committee and we have found it a pleasure to work with you.

Mr. FITZGERALD. Thank you.

The CHAIRMAN. I say that for you. I have once or twice tried to practice law, and I know sometimes counsel may be a man of great integrity and stature, but all of us, as lawyers, sometimes have possibly represented clients that did not measure up in every respect. I am not implying, again, in this instance. We have to guard against it.

Maybe this is a little premature. I have not made a final decision, but I do want to say that if the committee decides to defer hearing Mr. Hoffa at this time, or Mr. Collins or Mr. Brennan, and particularly with respect to Mr. Hoffa, whom I had invited to be present if he desired, and to stand by for the possibility that the committee would require his presence, we are in the process of developing and presenting testimony here that same may regard, at least, and there are times when I so regard it, as rather derogatory testimony to Mr. Hoffa, and, certainly, in view of his position, with which we are all familiar, I would not want such testimony to be produced and then deny him the right to refute it at any time he might desire to do so. So, that invitation still stands, and the opportunity will be made available to him if at any time during further hearingly now he should desire to appear and refute any testimony. My greatest concern at the moment is regarding Mr. Brennan. I believe it would be wise for us to take a little recess and come back at 1:45.

The committee will stand in recess until 1:45.

(Present at the time of taking the recess: Senators McClellan, Mundt, and McNamara.)

(Thereupon, at 11:50 a. m., a recess was taken until 1:45 p. m., the same day.)

AFTERNOON SESSION

(Members of the committee present at start of the afternoon session: Senators McClellan and McNamara.)

The CHAIRMAN. The committee will come to order.

Mr. Brennan, come around, please.

TESTIMONY OF OWEN B. BRENNAN, ACCOMPANIED BY HIS COUNSEL, GEORGE S. FITZGERALD—Resumed

The CHAIRMAN. During the recess hour, the committee held a conference, and, although we reluctantly do it, because we would like to get

along with our work, in view of the peculiar circumstances that prevail as have been related here this morning, and in view of the request made by counsel for the three witnesses, Mr. Brennan, Mr. Hoffa, and Mr. Collins, we have weighed very carefully, and, as I say, reluctantly, and are going to accede to and grant the request insofar as it applies to Mr. Collins and Mr. Hoffa; that is, to defer the taking of their testimony. I say this week, at this particular series of hearings. We will not undertake to set any date now for their appearance before the committee, but I reiterate that the invitation previously extended to the witnesses to be present to hear this testimony and to testify in refutation of any of it that they felt was inaccurate or not correct or untruthful, that invitation is not withdrawn, but it is continued.

(Senator Mundt entered the room.)

The CHAIRMAN. We are having problems because of the illness of witnesses and because some of them have made themselves unavailable. This indictment, of course, is not the responsibility of the committee. We had nothing to do with the indictment that has interceded here to bring about a situation that causes us to make this deferment. But this committee is going to plow through. Let no one get any impression that these handicaps will not be overcome. They will.

Now, as to Mr. Brennan, after conference, we find we have a great many things that Mr. Brennan can be very helpful on. I would like for counsel to enumerate some of them briefly. As to interrogating him about anything related to the prospective indictment, may I say, and the indictment as against Mr. Hoffa and Mr. Collins, we will undertake to stay clear of it insofar as we have any information as to what might be involved in it. But Mr. Brennan does have a great deal of information that he can give this committee that will be very helpful which, I am sure, is in no way related to the problems of the indictment pending and contemplated.

So, Mr. Counsel, will you give us a little briefing on those matters that we are confident are wholly without the scope of the indictment. I think it would be well to do so for the record at this time.

MR. FITZGERALD. May I merely say, Mr. Chairman, that we appreciate the consideration and courtesy of the committee.

The CHAIRMAN. Thank you, Mr. Fitzgerald.

MR. KENNEDY. Mr. Chairman, during this hearing and during prior hearings we have been extremely interested in the source of cash of Mr. Hoffa and Mr. Brennan. We have pursued that matter through a number of different witnesses. Mr. Hoffa testified that during a period of several years that Mr. Brennan had a system whereby he wagered money on horses, and this resulted in cash income to Mr. Brennan and Mr. Hoffa of between \$5,000 and \$10,000 every year. We requested in Detroit that Mr. Brennan turn over any books or records that he had that could verify this winning of this \$5,000 or \$10,000 in cash every year. We requested that of Mr. Brennan because Mr. Hoffa stated that Mr. Brennan was the one that operated this.

That would be No. 1 on our list of things that we would like to get from Mr. Brennan and which could not possibly have anything to do with the indictment or the investigation of Mr. Brennan in New York City, by the grand jury.

Would you turn over those books and records that show that you received in cash—you and Mr. Hoffa—between \$5,000 and \$10,000 every year through this system, Mr. Brennan?

Mr. BRENNAN. Did you say Would I?

(The witness conferred with his counsel.)

Mr. KENNEDY. Five and ten thousand dollars apiece in cash.

Mr. BRENNAN. On advice of counsel, I respectfully decline at this time to answer and under the fifth amendment of the United States Constitution I assert my privilege not to be a witness against myself.

Mr. KENNEDY. You refuse to turn over any documents that you have on that matter?

(The witness conferred with his counsel.)

Mr. BRENNAN. On the advice of counsel, I respectfully decline at this time to answer and under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. Mr. Brennan, you understand the interest of the committee in this matter. Based on testimony that we have had, the circumstances that have come to light, there is some reason, if not justification, for believing that this income was derived from other sources rather than from the racetrack and gambling on horses, and thus the committee's interest is in the source of it other than the horseracing track. As to your making a bet and winning a thousand dollars on a horse, the committee has no interest in it. If you are reporting income, however, from that source, when in fact the income is from some other source, it may be from a source that would be very helpful to this committee in developing a pattern of practices that are being engaged in to the detriment of organized labor and also of the public. So therefore your testimony is required and we will appreciate your cooperation.

Mr. BRENNAN. May I consult with Mr. Fitzgerald, please?

The CHAIRMAN. Yes; you may.

(The witness conferred with his counsel.)

Mr. BRENNAN. At this time, at some later time, rather, I may be able to testify to these matters, and on the advice of counsel I respectfully decline at this time to answer and under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself. Also under the fourth amendment to the United States Constitution I decline to produce any records at this time.

The CHAIRMAN. Do you have such records?

(The witness conferred with his counsel.)

Mr. BRENNAN. On the advice of counsel I respectfully decline at this time to answer and under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. All right, Mr. Counsel; proceed. There is another matter in which in a moment I wish to interrogate the witness.

Mr. KENNEDY. You have other books and records of your own finances, Mr. Brennan. Will you turn over any of those books and records to us? You are a subject of some importance to us because of your close relationship to Mr. Hoffa. You operate local 337 in Detroit, and that you had a number of business transactions involving Mr. Hoffa. We would like to have all the books and records in your

possession in addition to the ones in connection with your gambling winnings or so-called gambling winnings.

Mr. BRENNAN. May I speak to Mr. Fitzgerald?

The CHAIRMAN. Yes.

(The witness conferred with his counsel.)

Mr. BRENNAN. At some later date I may turn over to the committee the records that I have in my possession. At this time on the advice of counsel I respectfully decline at this time to answer and under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself. Also under the fourth amendment to the United States Constitution I decline to produce any records at this time.

Mr. KENNEDY. Can you give us any assurance, Mr. Brennan, that you will turn over those documents to us within, say, the next year?

Mr. BRENNAN. On the advice of counsel I respectfully decline to answer, and under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself. Also, under the fourth amendment of the United States Constitution I decline to produce any records at this time.

Senator MUNDT. Let me put the question to you this way, Mr. Brennan. With regard to the colloquy we had with your counsel this morning, will you assure the committee now that you will turn over these requested books and records just as soon as any court case involving you growing out of the grand jury situation in New York has been terminated?

Mr. BRENNAN. May I speak to my counsel, please?

The CHAIRMAN. Yes.

(The witness conferred with his counsel.)

Mr. BRENNAN. At a future date——

Senator MUNDT. I will set the date. I am not talking about some ambiguous future date. I have specified and pinpointed the date and asked you a direct question, Mr. Brennan.

Mr. BRENNAN. I am going to be guided by the advice of my counsel, Mr. Senator.

Senator MUNDT. You may be guided by the advice of your counsel as far as I am concerned, but I want you to answer my question.

Mr. BRENNAN. Now and in the future.

Senator MUNDT. I want you to answer my question.

Mr. BRENNAN. On the advice of counsel, I respectfully decline at this time to answer, and under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself, and under the fourth amendment to the United States Constitution I decline to produce any records at this time.

Senator MUNDT. Then, Mr. Chairman, I request that you order the witness to produce them, because this is obviously a dodge.

The CHAIRMAN. The dodge is based on his constitutional right to produce at any time.

Senator MUNDT. He wants to withhold pertinent information upon which our investigation is based.

The CHAIRMAN. These are his personal records. I believe our ruling is, and it is correct, that personal records are in a sense evidence of the witness requiring him to produce testimony against himself. I am treating it from strictly a legal aspect now. What the witness says

he may someday decide to do it or may someday decide not to take the fifth amendment is just a gratuity. We do not know whether he will or won't. But he does have a right to take the fifth amendment and say "I will not produce my personal books and records." If I thought otherwise, I would immediately order him to do so and then proceed in a proper manner if he did not.

I wish to add this: Any record in his possession where he is occupying a capacity of trusteeship or fiduciary capacity—in other words, any books or records of the union or a corporation or something like that—he cannot refuse to produce.

Mr. FITZGERALD. May I say with respect to Mr. Brennan's local 337, I don't know if Senator Mundt is aware that all of the documents and records, financial and otherwise, of local 337 have been submitted to the staff and have been the subject of complete investigation.

The CHAIRMAN. I believe we have all of the records of local 337. I think they have been made available. Am I right?

Mr. KENNEDY. That is right.

The CHAIRMAN. They have been made available. The only question I am sustaining here is that if you ask a witness a question and he takes the position that he desires to exercise his privilege under the fifth amendment he may do so. That applies to his personal records that he has kept. We are not always happy when a witness does that.

Mr. BRENNAN. Mr. Senator, I would like to say to you that these are my own personal records that I think the counsel is talking about, and that is what I am talking about.

The CHAIRMAN. We are talking about your personal records.

Mr. BRENNAN. Yes, sir.

The CHAIRMAN. Where you keep accounts, from which you make your income-tax returns, where you show your income and where you show your outgo and expenses, we are talking about those expenses.

Mr. FITZGERALD. May I say one other thing so that the committee is apprised of something? Mr. Brennan's income-tax returns have been turned over to the staff.

The CHAIRMAN. Yes, we have them. We can get that, but we have that anyway.

Mr. FITZGERALD. That is right.

The CHAIRMAN. Proceed.

Mr. KENNEDY. The great importance of the personal books and records of Mr. Brennan is in the fact that one of the people we are particularly interested in at this time is Mr. Hoffa. You have had so many financial relationships with Mr. Hoffa that not only would they be of interest to us because of your own position as president of local 337 of the teamsters, but also because of your financial arrangements with Mr. Hoffa. I spoke of the fact that you handled the money in the racing. If you gave us your books and records on this so-called racing arrangements where you could make between \$10,000 and \$20,000 in cash every year and split it between you and Mr. Hoffa, that might throw some light on this whole matter, and you refuse to turn those over.

Can you tell us about the arrangements that you had as far as Jimmy James was concerned, the money that you and Mr. Hoffa turned over to Mr. Jimmy James, supposedly, and then he put your wives on the payroll of the local in their maiden names? Can you tell us anything about that?

Mr. BRENNAN. On the advice of counsel, I respectfully decline at this time to answer, and under the fifth amendment to the United States Constitution, I assert my privilege not to be a witness against myself.

Mr. KENNEDY. You had another company called the J. & H. Sales Co., which ultimately took the name of the National Equipment Co. That was a trucking company operating in Detroit. You and Mr. Hoffa once again were interested in that. Can you tell us anything about that?

Mr. BRENNAN. On the advice of counsel, I respectfully decline at this time to answer and under the fifth amendment to the United States Constitution, I assert my privilege not to be a witness against myself.

Mr. KENNEDY. Can you tell us how that company was set up, the National Equipment Co., J. & H. Sales Co.? Can you tell us how those companies were set up and what arrangements you had with Carnie Mathieson and Mr. William Bridge and Mr. John Bridge in connection with those companies?

Mr. BRENNAN. On the advice of counsel, I respectfully decline at this time to answer and under the fifth amendment to the United States Constitution, I assert my privilege not to be a witness against myself.

Mr. KENNEDY. Mr. Bridge was a large trucker in Michigan. Mr. Carnie Mathieson is a trucker himself and the attorney that conducts the negotiations with the teamsters for the various truckers in Michigan. Can you tell us what financial arrangements you had with them in connection with these two companies?

Mr. BRENNAN. On the advice of counsel I respectfully decline at this time to answer and under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself.

Mr. KENNEDY. At the time you sold National Equipment Co., you sold it to Mr. William Bridge, and you sold it for \$10,000, you and Mr. Hoffa. Our review of the records of National Equipment Co. show that it was worth minus \$6,500 at that time. Could you tell us why Mr. Bridge would be willing to pay you \$10,000 for a company that is worth minus \$6,500?

Mr. BRENNAN. On the advice of counsel I respectfully decline at this time to answer and under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself.

Mr. KENNEDY. Going back to Jimmy James, can you tell us why he put your wife on the payroll of that juke box local for a period of years and put your wife on in her maiden name? Can you tell us anything about that? He paid her \$100 a week although she did no services for that local.

Mr. BRENNAN. On the advice of counsel I respectfully decline at this time to answer and under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. Let me suggest to the witness that when we encounter the problem such as you are presenting when this information is possibly, as indicated, within the knowledge of others, if we can't get the information from you, if we can't get the testimony

regarding what the facts are from you, this committee may find it has no other alternative except to subpoena and interrogate the other parties to the transaction. I don't want to have to do that. I think you husbands ought to be able to tell what transactions are. You are familiar with them. I don't think this committee wants to, I hope it never has to, subpoena wives in here and ask them about it. But I most respectfully ask that you consider the advisability of giving testimony where you can do it without incriminating yourself. If you cannot do it without incriminating yourself, of course, that is your judgment and your counsel, and that is your privilege to invoke the fifth amendment.

Mr. FITZGERALD. May I address the Chair?

The CHAIRMAN. Yes.

Mr. FITZGERALD. With respect to the J. and H. Sales and National Equipment Co., all of the records of those companies have been made available to the staff, and they have had them.

The CHAIRMAN. I understand. It is on the basis of those records that we are predicating the questions, because the records reflect this information and it needs some explanation. Proceed.

Mr. KENNEDY. Going on to another trucking company, in which you had an interest, that is Test Fleet, according to Mr. Hoffa's testimony before this committee, Test Fleet was set up after Commercial Carriers, Mr. Bert Beveridge was having difficulty up in Michigan in connection with a teamsters local in Flint. Subsequently he said, Mr. Brennan had conversation with Mr. Bert Beveridge in which it was decided to set up a company in which your wife in her maiden name and Mr. Hoffa's wife in her maiden name would own the stock. Could you tell us about what conversations you had with Mr. Bert Beveridge, a major trucker in Michigan, about setting up that company?

Mr. BRENNAN. On the advice of counsel I respectfully decline at this time to answer and under the fifth amendment of the United States Constitution assert my privilege not to be a witness against myself.

Mr. KENNEDY. That company was set up in Tennessee. It was first set up in the name of Mr. Wrape down in Tennessee, who is the attorney for Commercial Carriers. The stock was then transferred to your wife's maiden name and Mrs. Hoffa's maiden name. Can you tell us why you handled the transaction in that manner?

Mr. BRENNAN. On the advice of counsel I respectfully decline at this time to answer and under the fifth amendment of the United States Constitution assert my privilege not to be a witness against myself.

Mr. KENNEDY. Isn't it true that you have never done any work in connection with that, that the accountant that was to handle the books was the accountant for Commercial Carriers, that he works in the office of the Commercial Carriers, that it was just a paper transaction as far as you and Mr. Hoffa were concerned, and that since the time that company has been set up, you and Mr. Hoffa have split \$125,000?

Mr. BRENNAN. On the advice of counsel I respectfully decline to answer and under the fifth amendment to the United States Constitution assert my privilege not to be a witness against myself.

Mr. KENNEDY. It is a paper transaction, is it not, because your profits will be dependent on the amount of business that the Commercial Carriers will give you each month. If they decide to give you the

business, then you will make money. If they decide not to give you the business, then you will not make money. Isn't that correct?

Mr. BRENNAN. On the advice of counsel, I respectfully decline at this time to answer and under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself.

Mr. KENNEDY. Isn't it true that the teamsters have contracts with Commercial Carriers?

Mr. BRENNAN. On the advice of counsel I respectfully decline at this time to answer and under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself.

Mr. KENNEDY. You never saw anything improper in that at all, did you, Mr. Brennan?

Mr. BRENNAN. On the advice of counsel I respectfully decline at this time to answer, and under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself.

Senator MUNDT. Mr. Brennan, you are ruining Mr. Fitzgerald's batting average. He said with some emphasis this morning that no witness of his before a committee had ever taken the fifth amendment. Ted Williams of the Lawyers' League is slipping a little. Can you be a little more responsive?

(No response.)

Mr. KENNEDY. In addition to that we understand you went into business with Mr. Hoffa in connection with the Northwestern Oil Co. Could you tell us about that?

Mr. BRENNAN. On the advice of counsel I respectfully decline at this time to answer, and under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. For the purpose of these investments, how much union funds were used?

(The witness conferred with his counsel.)

Mr. BRENNAN. On the advice of counsel I respectfully decline at this time to answer and under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. If you did not use any union funds, do you think an answer would incriminate you, a truthful answer?

Mr. BRENNAN. I honestly believe that if I am forced to answer the question I will be compelled to be a witness against myself in violation of my privileges under the fifth amendment to the United States Constitution.

The CHAIRMAN. All right, proceed, Mr. Counsel.

Mr. KENNEDY. Mr. Chairman, in connection with the Northwestern Oil, the investment was made by Mr. Brennan and Mr. Hoffa and Mr. Allan Dorfman and Mrs. Rose Dorfman, who is Paul Dorfman's wife.

Could you tell us if the Dorfmans are the ones that have the brokerage on the insurance that comes out of the Central Conference of Teamsters? Could you tell us what financial arrangements you made with the Dorfmans prior to investing in Northwest Oil?

Mr. BRENNAN. On the advice of counsel, I respectfully decline at this time to answer and under the fifth amendment to the United

States Constitution I assert my privilege not to be a witness against myself.

Mr. KENNEDY. Approximately the same arrangement as far as personnel was concerned was true in the Jewel properties? You were in that again with the Dorfman and Mr. Hoffa.

Would you tell us about that?

Mr. BRENNAN. On the advice of counsel I respectfully decline at this time to answer and under the fifth amendment to the United States Constitution, I assert my privileges not to be a witness against myself.

Mr. KENNEDY. Could you tell us how you and Mr. Hoffa happened to invest in the Columbus Trotting Association?

Mr. BRENNAN. On the advice of counsel I respectfully decline at this time to answer and under the fifth amendment to the Constitution of the United States, assert my privilege not to be a witness against myself.

Mr. KENNEDY. Could you tell the committee how the teamsters union happened to purchase Paul "the waiter" Ricca's home?

Mr. BRENNAN. On the advice of counsel, I respectfully decline to answer and under the fifth amendment to the United States Constitution, I assert my privilege not to be a witness against myself.

Mr. KENNEDY. Do you know Mr. John P. McElroy?

Mr. BRENNAN. On the advice of counsel, I respectfully declare at this time to answer and under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself.

Mr. KENNEDY. Do you know that he worked for the Restaurant Guild as the labor negotiator?

Mr. BRENNAN. On the advice of counsel, I respectfully decline to answer at this time and under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself.

Mr. KENNEDY. Could you tell the committee how much money has been advanced by the teamsters union to McElroy and Mr. James P. Hannon in connection with the Mayberry Grant Clinic?

Mr. BRENNAN. On the advice of counsel I respectfully decline at this time to answer and under the fifth amendment to the United States Constitution, I assert my privilege not to be a witness against myself.

Mr. KENNEDY. Didn't you, prior to the time the teamsters invested some \$250,000 in that project, didn't you and Mr. Hoffa advance to these two gentlemen \$31,000 in cash?

Mr. BRENNAN. On the advice of counsel, I respectfully decline at this time to answer and under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. Did that money come out of union funds?

(The witness conferred with his counsel.)

Mr. BRENNAN. On the advice of counsel, I respectfully decline at this time to answer and under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself.

Mr. KENNEDY. Could you tell the committee why you would advance Mr. McElroy and Mr. Hannon \$31,000 in cash, you and Mr. Hoffa, actually having a financial interest in the Mayberry Grant?

Mr. BRENNAN. On the advice of counsel I respectfully decline at this time to answer and under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself.

Mr. KENNEDY. Mr. Hannon has been paid some money by the teamsters, has he not?

Mr. BRENNAN. On the advice of counsel, I respectfully decline at this time to answer and under the fifth amendment to the United States Constitution, I assert my privilege not to be a witness against myself.

Mr. KENNEDY. And Mr. McElroy has also done some work for the teamsters?

Mr. BRENNAN. On the advice of counsel, I respectfully decline at this time to answer and under the fifth amendment to the United States Constitution, I assert my privilege not to be a witness against myself.

Mr. KENNEDY. Isn't it true that neither Mr. McElroy nor Mr. Hannon invested any of their own money in the Mayberry Grant Sanitarium?

Mr. BRENNAN. On the advice of counsel, I respectfully decline at this time to answer and under the fifth amendment to the United States Constitution, I assert my privilege not to be a witness against myself.

Mr. KENNEDY. Mr. Chairman, we have a large number of financial transactions of local 337 that we wish to question Mr. Brennan about.

The CHAIRMAN. Who is Mr. D-u-b-a-c-h, Marshall?

Mr. FITZGERALD. Mr. Dubach is a business agent of the teamsters.

The CHAIRMAN. I was asking the witness.

(The witness conferred with his counsel.)

Mr. BRENNAN. On the advice of counsel——

The CHAIRMAN. I spelled it.

Mr. BRENNAN. On the advice of counsel I respectfully decline at this time to answer and under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself.

Mr. CHAIRMAN. You are president of local 337, I believe you said. You have already said that. Am I correct?

(No response.)

The CHAIRMAN. I note here that Mr. John P. McElroy submitted a bill to the business agent of local 337, Marshall Dubach, in the amount of \$125, dated June 30, 1953, services and expenses in investigating Local 337, Teamsters, and Kroger Co.

Were you president of the local at that time?

Mr. BRENNAN. On the advice of counsel, I respectfully decline at this time to answer and under the fifth amendment to the United States Constitution. I assert my privilege not to be a witness against myself.

The CHAIRMAN. I believe we have the information that you are or were president at that time unless you want to deny it. I will proceed on that basis. Do you wish to examine this statement I have just referred to and see if you identify it and give us some explanation of it?

Mr. KENNEDY. Mr. Chairman, I will say what we understand the \$125 was for. Mr. McElroy was an arbitrator and worked in a num-

ber of different cases for the teamsters union. This was \$125 that was paid to him, as we understand it, to act as an arbitrator between the Kroger Co. and the local.

The significance is that subsequently he became the labor representative of the restaurant guild which we discussed yesterday and while he has held that position he received these large amounts of money, and he and Mr. Hannon received these large amounts of money from the teamsters union to set up this sanitarium in Detroit.

In addition to receiving the money from the teamsters union, they received \$31,000 in cash from Mr. Brennan and Mr. Hoffa, according to our records.

They did not, according to our records, invest any money of their own in this sanitarium. We would like to get, if we could, an explanation from Mr. Brennan of the whole transaction.

The CHAIRMAN. Let me see if I understand it.

They got \$31,000 in cash from Mr. Brennan and Mr. Hoffa?

Mr. KENNEDY. In currency.

The CHAIRMAN. To start a business?

Mr. KENNEDY. That is correct.

The CHAIRMAN. While at the same time he was employed in a capacity that would amount to a conflict of interest, which has a bearing on the negotiations for the restaurant guild.

Mr. KENNEDY. Yes, also to get that money Mr. Hoffa had to go and borrow the money from the accountant, Mr. Grosberg, according again, to our investigation, of the local, who in turn went to his uncle who was a chief owner and primary officer in one of the biggest grocery stores in Detroit, the ACF Wrigley Co., so that the whole transaction needs an explanation.

(The witness conferred with his counsel.)

Mr. KENNEDY. Could you give it to us, Mr. Brennan?

Mr. BRENNAN. On the advice of counsel, I respectfully decline at this time to answer, and under the fifth amendment to the United States Constitution, I assert my privilege not to be a witness against myself.

Mr. KENNEDY. Also, Mr. Hannon received money from the local.

The CHAIRMAN. I see one item here according to the photostatic copy of an invoice, or statement of account, an item of \$2,000, submitted by James Hannon.

It says:

Retainer for legal research in formulation of legislative program, \$2,000—submitted June 8, 1954.

Do you know anything about that?

Mr. BRENNAN. On the advice of counsel, I respectfully decline at this time to answer and under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself.

Mr. KENNEDY. Mr. Chairman, we have here another bill paid by the teamsters for William Freedman. It says:

Washington expenses per Bert Brennan.

The total is \$200. I would like to have an explanation of what that is for.

The CHAIRMAN. This one I am going to have you present to the witness and state that he examined it and see if he identifies it.

Mr. BRENNAN. On the advice of counsel——

The CHAIRMAN. Have you examined the document?

Mr. BRENNAN. Yes, sir. On the advice of counsel, I respectfully decline at this time to answer and, under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. This document may be made exhibit No. 16.

(The document referred to was marked "Exhibit No. 16" for reference and will be found in the appendix on p. 5745.)

Mr. KENNEDY. Mr. Chairman, according to the information that we have, there was a columnist who was going to write an article about Mr. Brennan which Mr. Brennan didn't like, and he made arrangements for Mr. William Freedman to come to Washington to talk things over with the columnist.

Subsequently, the article has not been written. The \$200 was a fee to Mr. Freedman for making that trip and for his expenses of coming to talk to the columnist. Is that correct? It was paid out by the union.

The CHAIRMAN. Paid out of union funds?

Mr. BRENNAN. On the advice of counsel, I respectfully decline at this time to answer and under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. Mr. Brennan, I present to you a photostatic copy of a check in the amount of \$200 made payable to William Freedman, dated February 28, 1955, drawn on the food and beverage drivers, by Bert Brennan.

I will ask you to examine this photostatic copy of this check and state if you recognize it and recognize your signature on it.

(A document was handed to the witness.)

Mr. BRENNAN. I have examined it and on the advice of counsel I respectfully decline at this time to answer and under the fifth amendment of the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. Is that check the check that is made in payment of the \$200 bill which you had previously examined?

Mr. BRENNAN. On the advice of counsel, I respectfully decline at this time to answer and under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. Let that check be made exhibit No. 17.

(The document referred to was marked "Exhibit No. 17" for reference and will be found in the appendix on p. 5746.)

Senator MUNDT. Hold the check there. I would like to ask the witness, is that your signature on the check? Do you recognize that to be your signature?

Mr. BRENNAN. I have examined the check and on the advice of counsel, I respectfully decline at this time to answer and under the fifth amendment to the United States Constitution, I assert my privilege not to be a witness against myself.

The CHAIRMAN. I may say we have here, if it would be of any help to you, the hotel bill of Mr. Freedman at the Mayflower Hotel, running from February 24, 1955, to February 25, 1955. The total is some \$15 or \$20. It is not totaled up here.

Also, the checkout slip of Mr. Freedman, I believe, or his registration slip. Do you wish to make any comment about it at all, Mr. Brennan? These seem to be supporting documents of the trip and of the expense incurred.

Mr. BRENNAN. On the advice of counsel, I respectfully decline at this time to answer and under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself.

Mr. KENNEDY. We have another transaction here, I would like to ask you about. This is a bill for \$100. It is for legal services rendered in drafting of bylaws, \$100 from Hannon. It is dated January 25, 1955.

The CHAIRMAN. You may present that to the witness and let him examine it and state if he identifies it.

Mr. BRENNAN. I have examined the document and on the advice of counsel, I respectfully decline at this time to answer under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. Very well, that document may be made exhibit No. 18.

(The document referred to was marked "Exhibit No. 18" for reference and will be found in the appendix on p. 5747.)

Mr. KENNEDY. You had no teamster bylaws being worked on at that time, did you, Mr. Brennan?

Mr. BRENNAN. On the advice of counsel, I respectfully decline at this time to answer and under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself.

Mr. KENNEDY. Isn't it true that you went to this law firm to get some work done on the United States Trotting Association bylaws?

Mr. BRENNAN. On the advice of counsel, I respectfully decline at this time to answer and under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself.

Mr. KENNEDY. I see this bill was O. K'd by Bert Brennan and our contacts with that law firm resulted in a statement from them that they did no work on the teamsters union bylaws, but they did for the United States Trotting Association bylaws.

Mr. BRENNAN. On the advice of counsel, I respectfully decline to answer and under the fifth amendment of the United States Constitution I assert my privilege not to be a witness against myself.

Mr. KENNEDY. You feel that is a legitimate expense of the union to pay the rewriting of the bylaws of the Trotting Association?

Mr. BRENNAN. On the advice of counsel, I respectfully decline at this time to answer; and, under the fifth amendment to the United States Constitution, I assert my privileges not to be a witness against myself.

The CHAIRMAN. Would you not agree that of you did spend the money of the union that way, to write bylaws for a Trotting Association rather than to write bylaws for the local or for the union, that it would be a misuse and misappropriation of union funds, or do you think that is proper?

(The witness conferred with his counsel.)

Mr. BRENNAN. On the advice of counsel, I respectfully decline at this time to answer and under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. Mr. Brennan, I have here a photostatic copy of another bill. This is for the Motel and Studio Apartments, Sunaqua, down in Hallandale Beach, Fla. The date of it appears to be, or at least it was paid on March 20, 1956, showing room rent of \$258.06; phone bill, \$42.40; TV, \$13. Total amount of the bill O. K.'d by you apparently is \$337.36.

I will ask you to examine that bill and state if you identify it.

Mr. BRENNAN. I have examined the document and on the advice of counsel I respectfully decline at this time to answer and under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. That bill will be made exhibit No. 19.

(The document referred to was marked "Exhibit No. 19" for reference and will be found in the appendix on p. 5748.)

The CHAIRMAN. Let me ask you if you were there on that occasion on union business or personal business?

Mr. BRENNAN. On the advice of counsel, I respectfully decline at this time to answer and under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. Was that bill paid out of union funds?

Mr. KENNEDY. It is check 462, O. K.'d by Bert Brennan. We don't have the check.

The CHAIRMAN. Did you pay that bill out of union funds?

Mr. BRENNAN. On the advice of counsel I respectfully decline at this time to answer and under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself.

Mr. KENNEDY. It says here, "Advertising." It says, "2 minutes to Gulf Stream Race Track." Where you down there in connection with the Gulf Stream Race Track?

Mr. BRENNAN. On the advice of counsel, I respectfully decline at this time to answer and under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself.

Mr. KENNEDY. Now, Mr. Chairman, we have here three checks, ultimately turned into cash, which we have been trying to find the explanation for. One is dated July 12, 1955, \$2,000 to Robert Holmes; and another January 20, 1953, to Robert Holmes for \$1,000; and the other one to cash, February 10, 1955, \$2,250.

Now, Mr. Holmes has stated that he was ordered to get the cash and turn it over to Mr. Brennan, and so I would like to find out what that was for.

The CHAIRMAN. I present you a check here, Mr. Brennan, dated July 12, 1955, payable to the order of Robert Holmes, in the amount of \$2,000, drawn by you and Robert Holmes, on food and beverage drivers account, and I ask you to examine this check and state if you identify it and recognize your signature thereon.

(A document was handed to the witness.)

Mr. BRENNAN. I have examined the document and on the advice of counsel, I respectfully decline at this time to answer and under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. That check may be made exhibit No. 20.

(The document referred to was marked "Exhibit No. 20" for reference and will be found in the appendix on p. 5749.)

The CHAIRMAN. Do you recognize your signature on the check?

(A document was handed to the witness.)

Mr. FITZGERALD. I am sorry, I was talking to him.

The CHAIRMAN. Do you recognize your signature on the check?

Mr. BRENNAN. On advice of counsel, I respectfully decline at this time to answer and under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. That check was drawn on union funds, the \$2,000 came out of union funds; did it not?

Mr. BRENNAN. On the advice of counsel, I respectfully decline at this time to answer and under the fifth amendment to the United States Constitution, I assert my privilege not to be a witness against myself.

The CHAIRMAN. Are you not willing to give an accounting here for the benefit of the union members as to what you did with that money and the purpose for which it was drawn and how the money was expended?

Mr. BRENNAN. On the advice of counsel, I respectfully decline at this time to answer and under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. I present you another check drawn in the same manner, to the same payee, on the same account, signed by you, in the amount of \$1,000 dated January 20, 1953.

I will ask you to examine that check and state if you identify it and what the purpose of it was.

(A document was handed to the witness.)

Mr. BRENNAN. I have examined the document and on the advice of counsel, I respectfully decline at this time to answer and under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. Who is Robert Holmes?

Mr. BRENNAN. On the advice of counsel, I respectfully decline at this time to answer and under the fifth amendment of the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. Is he an officer of the union, food and beverage drivers?

Mr. BRENNAN. On advice of counsel, I respectfully decline at this time to answer and under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. That check may be made exhibit No. 21.

(The document referred to was marked "Exhibit No. 21" for reference and will be found in the appendix on p. 5750.)

The CHAIRMAN. I present you another check dated February 10, 1955, drawn to cash, in the amount of \$2,250 signed by Bert Brennan,

with the food and beverage drivers. I wish you to examine this check and see if you identify it.

(A document was handed to the witness.)

Mr. BRENNAN. I have examined the document and on the advice of counsel, I respectfully decline at this time to answer and under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. Do you recognize your signature?

Mr. BRENNAN. On the advice of counsel, I respectfully decline at this time to answer and under the fifth amendment to the United States Constitution, I assert my privilege not to be a witness against myself.

The CHAIRMAN. That check may be made exhibit No. 22.

(The document referred to was marked "Exhibit No. 22" for reference and will be found in the appendix on p. 5751.)

The CHAIRMAN. I observe on the back of it, and you correct me if I am wrong, that the endorsement is "Mr. Robert Holmes," apparently he got the money on it, although the check is made to cash; am I correct?

Mr. BRENNAN. Upon the advice of counsel, I respectfully decline at this time to answer and under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. According to information this committee has, the \$2,000 check and \$1,000 check and the \$2,250 check were issued in the manner as indicated, as you have observed from the photostatic copies of the checks.

The checks were cashed by Mr. Robert Holmes, and the money turned over to you. Do you deny it?

Mr. BRENNAN. On the advice of counsel, I respectfully decline at this time to answer and under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. Maybe \$5,250.50 is a small amount of money, but I think there should be an accounting for it, and that is what we are trying to find out.

There is nothing to indicate how this money was spent, but it is clearly evident that it came out of the union treasury.

We were hoping you would be helpful and give us some explanation.

Let us try a little larger one. Here is a check dated June 25, 1956, a little more recent, made payable to the order of Northville Downs, in the amount of \$50,000 signed by you and Mr. Holmes, and endorsed, "Northville Downs by J. J. Carlo, for deposit."

Mr. KENNEDY. I might say in connection with that, that Mr. Hoffa testified regarding that check, but he said that Mr. Brennan was the one that had the full details on it, and that we should ask Mr. Brennan about it.

The CHAIRMAN. Mr. Hoffa testified when this check was presented to him and at that time it was made exhibit No. 163, so therefore, I present to you exhibit No. 163 which was presented to Mr. Hoffa and which has been made a part of the record.

I will ask you to examine this exhibit No. 163. Will you examine it and since Mr. Hoffa said you had all of the details we would be glad to have your explanation of it.

(A document was handed to the witness.)

Mr. BRENNAN. May I discuss this with my attorney?

(The witness conferred with his counsel.)

Mr. BRENNAN. I have examined the document and on the advice of my counsel, I respectfully decline at this time to answer and under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. Is that your signature on that check?

Mr. BRENNAN. On the advice of counsel, I respectfully decline at this time to answer and under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. That is a pretty large sum of money and with the permission of the committee I am going to order and direct you to answer the question as to whether that is your signature.

Senator MUNDT. Mr. Brennan, I say you ought to give serious consideration to answering that question. We are developing a rather curious routine here.

Mr. Hoffa prided himself with some justification on the fact that he did not take the fifth amendment. He answered a lot of questions or some questions, anyhow, by saying, "Yes, I know something about this, but you will have to ask Mr. Brennan."

So you come along now and you take the fifth amendment, and so we have the fifth amendment in the second degree, Mr. Hoffa taking it vicariously. I don't want you to spoil Mr. Hoffa's reputation for not taking the fifth amendment now that you have ruined the batting average of your counsel. On this one you should be able to give us some information because Mr. Hoffa was the one who told us to ask you.

Mr. BRENNAN. This is the fifth amendment by force, Senator.

Senator MUNDT. It is the fifth amendment in the second degree. I think Mr. Hoffa takes the fifth amendment through your lips this way.

The CHAIRMAN. The Chair orders and directs you to answer whether that is your signature.

Mr. BRENNAN. I respectfully decline at this time to answer and under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. Was this money a loan?

Mr. BRENNAN. On the advice of counsel, I respectfully decline at this time to answer and under the fifth amendment of the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. Who is the owner of that place, Northville Downs?

Mr. BRENNAN. On the advice of counsel, I respectfully decline at this time to answer and under the fifth amendment of the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. Do you have an interest in Northville Downs, an ownership interest?

Mr. BRENNAN. On the advice of counsel, I respectfully decline at this time to answer and under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. How many dues-paying members are there that belong to the food and beverage drivers?

Mr. BRENNAN. On the advice of counsel, I respectfully decline at this time to answer, and under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. Well, if there is one, or if there are 12,000, do you not think that they are entitled to know what \$50,000 of their money went for?

Mr. BRENNAN. On the advice of counsel, I respectfully decline at this time to answer, and under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. I can only say I am sorry for union members and their families who have to pay dues to an organization in the hands of officers who cannot with good conscience, and without incriminating themselves, give an accounting of \$50,000 of the money they expended.

Are there any other questions?

Senator MUNDT. Are you about through with the witness?

The CHAIRMAN. I am going to ask the witness 2 or 3 more questions, but let me ask you, just doing it right now, are you going to answer any questions? Are you going to give us any information regarding your transactions and your stewardship of the union?

(The witness conferred with his counsel.)

The CHAIRMAN. If you are not, just say you are not. If you are going to take the fifth amendment all afternoon, we can shorten it.

Mr. BRENNAN. I would like you to ask that question of my attorney.

The CHAIRMAN. You may ask it and give his answer and yours, too.

Mr. BRENNAN. Now, Mr. Senator, it was with a great deal of reluctance that I have availed myself of the fifth amendment here today, and it is only through force of the committee that I am doing so, because of the position that we had taken prior to the opening of this hearing today.

On the advice of my counsel, I respectfully decline at this time to answer, and under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. All I am trying to find out, and you can just answer "Yes" or "No"—

Mr. BRENNAN. With regard to any questions, sir.

The CHAIRMAN. You are going to continue to take the fifth amendment with regard to any questions that may be asked you today?

Mr. BRENNAN. Today; yes, sir.

The CHAIRMAN. That is all I wanted to know.

Senator MUNDT. Now, Mr. Chairman, this witness, for the reasons he has just stated, has injected something new into the fifth amendment. He has added a little phrase, "at this time."

That was done some 30 or 40 times, which gives some small glimmer of hope that maybe at some future time he is going to answer all questions directly.

Now, I would like to say to Mr. Fitzgerald that I have been thinking about our concession to your request, which you made, that we avoid calling Mr. Hoffa and Mr. Collins now because of the situation up in the grand jury and the indictments.

We acceded to your request as far as Mr. Brennan was concerned and as far as any questions were concerned regarding what we construed to be the grand jury functions and responsibilities. So that these hear-

ings are being deferred by force of the fifth amendment and by force of circumstances, and in response to your request for some considerable amount of time.

You have told us that you are going to petition the court to defer trying Mr. Hoffa and Mr. Collins, likewise Mr. Brennan if he is indicted, because of the climate of opinion in the circumstances.

I just wonder whether perhaps you might not want to place this desire for deferments in proper balance by recommending to the convention in Miami that they likewise defer electing a new president of the teamsters at this time so that all of the facts can be available and the record be clarified before anybody acts.

Mr. FITZGERALD. Does that require an answer?

I think the delegates at the convention, if I know teamster delegates, and I have represented them for probably 20 years, might resent my intrusion into the affairs of the teamsters as I think they might resent the intrusion of the heads of other labor unions intruding into their affairs.

That would be my only answer and I would hesitate to do it. If I did, I would like to do it at long distance, and I wouldn't want to be in Miami.

Senator MUNDT. I thought perhaps you were making a lot of long distance calls to Mr. Hoffa. He is down there, and I thought maybe by long distance you could suggest it because very rightfully, I think, the teamsters have come to respect your counsel and your judgment. For my part, and I think I speak for all my colleagues on the committee, I do not want this committee to be used even remotely to work any unfair advantage on Mr. Hoffa or anybody else, or to influence the election or defeat of any candidate who might deserve to be elected down in Miami.- By the same token, I don't want, as a member of this committee, to have this committee used in any way by concealing from it, and consequently from the people, any information which gives a special opportunity to any candidate down there to be elected before the facts are all in.

So it would seem to me that if they could defer the election, may I suggest as one country boy to another, perhaps they might select a caretaker's committee down in Miami comprised of the four candidates for vice president and the secretary-treasurer of the teamsters, and let them operate the union for 90 days, by which time the grand jury could have completed its action, and the courts could have completed their action, and our committee could complete its action, and the record would be clear concerning Mr. Hoffa. I would think you and Mr. Hoffa and the teamsters would like to know what the record is before they are forced to vote "Yes" or "No." Doesn't that sound like a sort of a reasonable request or recommendation? Don't you take the fifth now.

Mr. FITZGERALD. As one country boy to another. I just work for a living, and I can't very well express what might be my personal feelings.

Senator MUNDT. Should you get an opportunity to drop that idea down in Miami, should they seek your counsel there as they have sought it here, I think it would be a good thing for the teamsters and for the country, so that everybody could know whether these charges against

Mr. Hoffa are right or wrong. If they are right, I can't think of a single teamster who would want to see him as their national president. If they are wrong, the records should be straightened out, and Mr. Brennan and Mr. Hoffa and Mr. Collins and those who can set the record straight should feel free to testify, which quite obviously they do not now. I don't think the teamsters of America should be expected to buy a pig in a poke, without the information, and I just pass this suggestion along to a fellow farmer from Detroit.

Mr. FITZGERALD. Thank you.

Mr. KENNEDY. We have a number of other checks, Mr. Chairman, but it does not seem to be helpful to present them.

The CHAIRMAN. I was going to make reference to it. Mr. Brennan, of course you appreciate we have a number of other checks and documents here that we can interrogate you about if there is any probability of your giving any answers to the questions. As I understood you, you stated definitely that you do not intend to answer any questions today, but to invoke the fifth amendment privilege.

Mr. BRENNAN. That is right.

The CHAIRMAN. So I see nothing to be gained by going along here. It has been said sometimes this committee has set a pretty high record or caused witnesses to set a pretty high record in taking the fifth amendment so many times in one day. That is not the purpose of this committee and we are not trying to break that record each time some witness comes before us, but if it is futile to proceed, then I think there is not reason for us to waste the effort.

Mr. KENNEDY. Could I ask one question? We had some testimony regarding the election of delegates from your local 337. The election was back in February, and therefore unconstitutional. Can you tell us whether you are a legally constituted delegate?

(The witness conferred with his counsel.)

Mr. BRENNAN. May I speak to my counsel?

(The witness conferred with his counsel.)

Mr. BRENNAN. On advice of counsel I respectfully decline to answer, and under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself.

Mr. KENNEDY. Thank you.

The CHAIRMAN. Is there anything further?

Mr. KENNEDY. That is all.

The CHAIRMAN. The Chair will serve upon the witness in open session a subpoena to produce his books and records as stated in that subpoena, and the chief clerk may make a return showing it was served by me in the open session.

Mr. Brennan, at some time in the future, you will be called back to comply with the directions of the subpoena.

All right, there being nothing else, you may stand aside.

Mr. KENNEDY. Mr. Chairman, we have about 4 or 5 witnesses that we hope we can get through in about an hour, and the first one will be Mr. Pierre Salinger, who is a staff member of the committee.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. SALINGER. I do.

TESTIMONY OF PIERRE E. G. SALINGER

Mr. KENNEDY. Mr. Salinger, you have been working on the investigation involving Mr. Hoffa over a period of the last 3 weeks or more, have you not?

Mr. SALINGER. Yes, sir.

Mr. KENNEDY. And you have examined some of the checks of local 299?

Mr. SALINGER. I have.

Mr. KENNEDY. And did you find 2 checks to Mr. Irvin Goldstein, dated March 22, 1955, and March 24, 1955.

Mr. SALINGER. I did.

Mr. KENNEDY. Both in the amounts of \$1,000?

Mr. SALINGER. I did.

Mr. KENNEDY. And they were signed by Frank Collins?

Mr. SALINGER. I did.

Mr. KENNEDY. Could I present these checks to him?

Senator McNAMARA. The Chair presents you with these checks, and see if you can identify them.

(Documents handed to the witness.)

Mr. SALINGER. These 2 checks, payable to the order of Irvin Goldstein, each in the amount of \$1,000, came from the files of local 299.

Senator McNAMARA. The checks will be identified for the record as exhibits Nos. 23 and 23-A.

(The documents referred to were marked "Exhibits 23 and 23-A" for reference, and will be found in the appendix on pp. 5752, 5753.)

Mr. KENNEDY. Now, did you find out for what purpose those checks were issued? They were issued, were they not, out of the funds of local 299?

Mr. SALINGER. They were.

Mr. KENNEDY. And that is the local of Mr. James Hoffa?

Mr. SALINGER. That is the local of which Mr. Hoffa is the president.

Mr. KENNEDY. He is president and Mr. Frank Collins is secretary-treasurer?

Mr. SALINGER. That is right.

Mr. KENNEDY. And did you learn what those checks were for?

Mr. SALINGER. I did, sir.

Mr. KENNEDY. Could you tell the committee what you have learned about the issuance of those checks?

Mr. SALINGER. Those two checks were paid to Irvin Goldstein, an attorney in San Francisco, Calif., in connection with legal business which he did for a teamster official in St. Louis, Mo. I have an affidavit here from Mr. Goldstein and I would like to read it into the record.

I, Irvin Goldstein, being first duly sworn on oath, depose and say that I am an attorney with offices at 111 Sutter Street, San Francisco, Calif., that about the middle of the month of October 1954, while in Washington, D. C., on business, I met Mr. James Hoffa. He inquired if I could appear in a matter in St. Louis and I informed him that I could. The early part of November 1954, I was called to the telephone and asked to come to St. Louis. I do not now recall the identity of the person calling. My records disclose I went to St. Louis on November 5, 1954, and there I conferred with Mr. Harold Gibbons, and with Stanley M. Rosenblum, Esq., relative to the case of Louis Berra. I was retained in association with Mr. Rosenblum and while there received a check in the amount of \$3,000 as a retainer. I do not recall the maker of the check. My records credit the payment to Louis Berra but it is my recollection I received

it from an employee of Mr. Gibbons' office while in St. Louis. My records also disclose that on March 14, 1955, and April 21, 1955, I received additional payments of \$1,000 each from Truck Drivers Local 299, signed "Irvin Goldstein." Subscribed and sworn to before me this 24th day of September 1954, Jessie R. Calderwood, notary public, for San Francisco.

Mr. KENNEDY. He said he received a first check for \$3,000.

Mr. SALINGER. That is correct.

Mr. KENNEDY. Do you have a copy of that check?

Mr. SALINGER. No, sir.

Mr. KENNEDY. Do you have the documents?

Mr. SALINGER. No, sir.

Mr. KENNEDY. Do you have any information where that \$3,000 came from?

Mr. SALINGER. Yes, sir.

Mr. KENNEDY. Tell the committee.

Mr. SALINGER. I telephonically communicated with Mr. Harold Gibbons, secretary-treasurer of the central conference of teamsters, this morning, and he said it was paid from the funds of the joint council 13 in St. Louis, Mo.

Mr. KENNEDY. And that was in connection with the defense of Mr. Berra?

Mr. SALINGER. That is correct.

Mr. KENNEDY. And the other \$2,000 in amounting to \$1,000 apiece were from local 299.

Mr. SALINGER. That is right. The total fee of Mr. Goldstein was \$5,000 in this matter.

Mr. KENNEDY. Mr. Goldstein was to carry an appeal to the Supreme Court, is that right?

Mr. SALINGER. Mr. Goldstein is an attorney with a tax background, and Mr. Berra had been convicted in St. Louis, Mo., of income-tax evasion.

Mr. KENNEDY. Could you tell us about the income-tax evasion, and who Mr. Berra was?

Mr. SALINGER. Mr. Berra was the manager of the St. Louis Health Institute, which is a health institute which takes care of the problems of members of Local 688 of the International Brotherhood of Teamsters, of which Harold Gibbons is the head. In October 1954 he was convicted on 3 counts of income-tax evasion and sentenced to three 4-year terms, concurrently, in the Federal penitentiary. The Government charged at the time that in the years 1951, 1952, and 1953, Mr. Berra reported income of \$15,985 when he should have reported income of \$22,327. The extra income was derived from kickbacks from contractors employed to build and maintain the St. Louis Health Institute.

According to the evidence at the trial Mr. Berra had certain repairs done on his home in St. Louis and had the contractors charge these repairs to the health institute and they were paid for out of the funds of the health institute.

At the same time Mr. Berra was also found guilty of obstruction of justice after it was testified that he induced a St. Louis painting contractor, named John F. Schmidt, to destroy records of kickbacks that Schmidt paid to Berra. In the appeal carried by Mr. Goldstein and Mr. Rosenblum to the United States Supreme Court, they held that illicitly received money could not be construed as income for the purpose of making an income-tax return.

Mr. KENNEDY. So the \$5,000 that was paid for Mr. Goldstein was for him to argue before the Supreme Court that illicitly earned money should not be considered income to Mr. Berra?

Mr. SALINGER. That is correct, sir.

Mr. KENNEDY. And the \$5,000 of union funds was used for that purpose.

Mr. SALINGER. That is correct.

Mr. KENNEDY. To argue that important point before the Supreme Court.

Mr. SALINGER. That is correct.

Mr. KENNEDY. That is all on that particular matter, Mr. Chairman. We have two other matters I want to take up with this witness.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Mr. Chairman, Mr. Kierdorf, when he testified the first day, on page 17, was asked about some of his background. At that time he was explaining his time in prison and the fact that he had been arrested for armed robbery and convicted. He explained after he got out of prison he went to Mr. James Hoffa and was hired by the teamsters. On page 17 he stated:

And after that I left the teamsters in 1940 and I went back to selling automobiles on my own, buying up used cars, etc., and I went into Akron, Ohio, and while there I was arrested for robbery, armed, of some department store. My nephew was with me at the time. We were apprehended there and I went to trial. I was convicted, but under perjured testimony of a police lieutenant, as the transcript of the trial will show, and upon which I was pardoned out of the Ohio Penitentiary.

We didn't have any details on that matter, Mr. Chairman, so we checked into it. Mr. Salinger will tell the committee the results of that check.

Mr. SALINGER. In the first instance, on the subject of the conviction on perjured testimony, I checked with the chief of police of Akron, Ohio, Mr. Whitten, and the captain of the detectives of the same police department, and they searched the records of Mr. Kierdorf's trial. Mr. Kierdorf and his nephew were arrested in Cleveland, Ohio, on December 18, 1941, on charges of armed robbery in Akron involving the robbery of Yeager's Department Store.

The grand jury returned a "no bill" in the case of Frank Kierdorf, but Herman Kierdorf was indicted and sent to the Ohio State Penitentiary for 10 to 25 years.

There was absolutely no record in Akron, either at the trial or since, on the subject of any perjured testimony in connection with that trial.

I subsequently interviewed the warden at the Ohio State Penitentiary at Columbus, Ohio, who advised me Mr. Kierdorf was not pardoned, but rather was paroled from there, and actually was paroled into the custody of officials in Michigan.

At the time that Mr. Kierdorf went to the Ohio Penitentiary in July of 1942, Michigan authorities placed a hold on him in connection with the robbery of the Metropolitan Life Insurance Co. of Detroit in the amount of more than \$4,000. So when Mr. Kierdorf was released from the Ohio State Penitentiary in October of 1948, he was picked up by Michigan authorities and taken back to Detroit. When he got back to Detroit, the witness who identified him in the case of the holdup after 8 years could no longer identify him and the charges were dropped, and that is when he went to work with the teamsters.

The CHAIRMAN. Have you checked with the Governor's office to find out whether any pardon was actually issued?

Mr. SALINGER. The penitentiary has the records on Mr. Kierdorf and tell me he has not been pardoned. I did not check with the Governor's office.

The CHAIRMAN. I assume that a copy would be with the penitentiary officials if a pardon had been granted.

Mr. SALINGER. I would assume that.

Mr. KENNEDY. He stated—

I was convicted but under perjured testimony of a police lieutenant as the transcript of the trial will show and upon which I was pardoned out of the Ohio Penitentiary.

So that the statement he made was that he was pardoned while in the Ohio Penitentiary and left under those circumstances, when in fact after he got out of the Ohio Penitentiary he was sent up to Michigan to be tried there for another armed robbery.

Mr. SALINGER. That is right.

Mr. KENNEDY. What happened to his nephew? He also went to work for the teamsters?

Mr. SALINGER. That is correct. The nephew while he was nobilled in Akron, several months later he was arrested and indicted in Youngstown, Ohio, on charges of armed robbery. That is Mr. Frank Kierdorf, now associated with local 332 in Flint, Mich. The chief witness was drafted into the service and went overseas, and could not be brought back for the trial, so the conviction was dropped.

Again several months later he was arrested for armed robbery in Michigan and was convicted and sent to the Michigan State Penitentiary at Jackson. When he emerged from there he went to work for the teamsters.

Mr. KENNEDY. That is all for Mr. Kierdorf. I have a third matter. We were going into the activities of Mr. Zigmont Snyder in some detail. Unfortunately, Mr. Zigmont Snyder has been missing for a long period of time, and so we are going to try to present what facts we have without him being here. We have 3 or 4 other witnesses who will testify, but I would like to have Mr. Salinger give a little of the background of Mr. Snyder as far as his relationship with the teamsters union and also his business relationships are concerned.

Could you tell us first who Mr. Zigmont Snyder is?

Mr. SALINGER. Mr. Zigmont Snyder is a business agent of local 299 in charge of the dockworkers section of that local. The people under his jurisdiction would be longshoremen who formerly belonged to the International Longshoremen's Association and the International Brotherhood of Longshoremen, and who Mr. Snyder brought into the teamsters some time early in 1955.

Mr. Snyder achieved his position as a business agent on the waterfront back in 1951, at which time he was named the business agent for the ILA local there. On that subject, I have an affidavit concerning Mr. Snyder's becoming business agent of the ILA.

Mr. KENNEDY. Would you read that, please.

Mr. SALINGER. This affidavit is the affidavit of Mr. Fred Farnen.

I, Fred J. Farnen, make the following statement to Sherman S. Willse, who has identified himself as an investigator for the United States Senate Select Committee on Improper Activities in the Labor or Management Field. The statement is made voluntarily and with no promise of special favor or immunity.

I am the secretary-treasurer of the Seafarers International Union of North America, Great Lakes District, AFL-CIO, 1038 Third Street, Detroit, Mich.

Some time prior to July of 1951 Phillippe La Zountier was acting in the capacity of part-time head of the International Longshoremen's Association with members on the automobile docks of the Detroit Harbor terminals in Detroit, Mich. At that time La Zountier was employed by the T. J. McCarthy Steamship Co. He continually pressured the company, particularly demanding more overtime payments. When these demands were not met, he tied up operations on these docks.

This situation was brought to the attention of Joseph P. Ryan, president of the International Longshoremen's Association in New York City, who sent Pat Cullnan, of the International Brotherhood of Longshoremen, to Detroit to investigate the matter.

Pat Cullnan conducted the investigation and recommended that La Zountier be ousted.

Following this, a meeting was held in the office of James R. Hoffa, at the Michigan Conference of Teamsters Building. Present at this meeting were: James R. Hoffa, Frank E. Fitzsimmons, Pat Cullnan, Simon O'Brien, International Representative of the International Longshoremen's Association of the Great Lakes, and myself. This took place about July 1951.

At this meeting, Pat Cullnan suggested that Zigmunt Snyder be appointed to temporarily replace La Zountier. Snyder was known to all present. There were no objections, although I would not have approved of the choice if I had known of his record and background, as I now do.

I believe all the above statements to be true to the best of my knowledge.

(Signed) FRED J. FARNEN.

Mr. KENNEDY. So Mr. Snyder was selected to be business agent of the ILA and selected in a meeting held in Mr. Hoffa's office.

Mr. SALINGER. That is correct.

Mr. KENNEDY. And Mr. Hoffa was present.

Mr. SALINGER. That is correct.

Mr. KENNEDY. As well as Mr. Frank E. Fitzsimmons.

Mr. SALINGER. That is right.

Mr. KENNEDY. Mr. Snyder took over as business agent of this local of the longshoremen's union.

Mr. SALINGER. Mr. Snyder took over as the business agent for the ILA and started a kind of track that took him from the ILA to the International Brotherhood of Longshoremen and finally into the teamsters. In the first place, he took the ILA local into IBL, which was headed by Mr. Larry Long, of St. Louis, Mo. However, in September of 1955, Mr. Long placed the IBL local, which Mr. Snyder was the head of, into receivership. I won't read the entire order, but I would like to read certain parts of it which were addressed to local union 1324, of Detroit, Mich., by Mr. Larry Long under date of September 9, 1955.

It was necessary to take this action for your protection. The affairs of your local union have been run in a slipshod manner.

Mr. KENNEDY. This is the head of the international talking about the activities of Ziggie Snyder?

Mr. SALINGER. That is right. Maybe I should have read the first paragraph, which says:

Greetings: This is to notify you that IBL Local 1324 has been placed under trusteeship and that Ziggie Snyder has been removed from office and no longer represents said union in any capacity.

Then he went on to say:

The affairs of your local union have been run in a slipshod manner for the past few years. Very few union meetings have been held. No financial statements

have been given to the members. We want you to have all the facts before being hoodwinked or stampeded into making a change which would be harmful to you in the long run.

At this point, Mr. Long was talking about the next move of Mr. Snyder, which was to take the same members out of the IBL and into the teamsters.

Mr. KENNEDY. And that is local 299?

Mr. SALINGER. That is right.

Mr. KENNEDY. That is Mr. James Hoffa's own local.

Mr. SALINGER. That is right.

Mr. KENNEDY. When did he do that?

Mr. SALINGER. It was around September 1955.

Mr. KENNEDY. Then he became a business agent for the teamsters and head of this area.

Mr. SALINGER. He was the business agent in charge of the longshoremen who belonged to local 299.

Mr. KENNEDY. Approximately how many of those?

Mr. SALINGER. Approximately 300.

Mr. KENNEDY. He was in charge of them?

Mr. SALINGER. That is right.

Mr. KENNEDY. Could you tell us anything more about the background of Ziggy Snyder?

Mr. SALINGER. While this is all going on, Mr. Snyder became a businessman. In 1954, on April 28, in Detroit, Mich., he filed incorporation papers for a company known as the Great Lakes Cargo Handling Co. The purpose or purposes for which this corporation is formed are as follows: To engage in the business of loading, unloading, and otherwise handling commercial cargo and freight, whether carried on ships by water or overland transportation, at ports, terminals, depots or other points of shipment or receipt.

This corporation shows the incorporator as Zigmont Snyder, 1256 Penobscot Building, Detroit, Mich., and it shows the three officers or directors as Zigmont Snyder, Samuel Schwartz, and Philip H. Bornstein. Besides the directors, Mr. Snyder was the only officer of this corporation that was named.

Senator McNAMARA. Did the State of Michigan issue these papers according to the request that was made?

Mr. SALINGER. That is correct.

Senator McNAMARA. They are incorporated.

Mr. SALINGER. They are a corporation, the Great Lakes Cargo Handling Corp.

Senator McNAMARA. Under the laws of Michigan.

Mr. SALINGER. That is correct, sir.

The CHAIRMAN. The document that you referred to there that relieved Mr. Snyder from his position with the Longshoremen, was it, may be made exhibit No. 24, and the articles of incorporation may be made exhibit No. 25 for reference only. I don't want to print it in the record.

(The documents referred to were marked as "Exhibits 24 and 25" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. The situation was that he was the business agent for the longshoremen working on the docks, that in 1954 he became a businessman and set up a company to work on the docks; is that right?

Mr. SALINGER. That is correct.

Mr. KENNEDY. That men would work for him who would also be members of his union; is that right?

Mr. SALINGER. That is correct.

Mr. KENNEDY. Then in 1955, because of complaints the way he had been operating, his union, he transferred over to the teamsters; is that right?

Mr. SALINGER. That is correct.

Mr. KENNEDY. Did he remain a businessman when he transferred into Mr. Hoffa's local?

Mr. SALINGER. He did.

Mr. KENNEDY. In fact, did he expand his business?

Mr. SALINGER. He did. He became a businessman in another field. Sometime in late 1955 or early 1956—I don't have the particular matter before me—he acquired possession of an auto wash in Detroit, Mich.

The Fort Wayne Manor Auto Wash was owned jointly by Sigmunt Snyder and his wife Estelle.

Mr. KENNEDY. And we are going to have some witnesses on that auto wash?

Mr. SALINGER. That is correct.

Mr. KENNEDY. Mr. Ziggy Snyder was a union official and was very interested in seeing that people belonged to unions, was he not?

Mr. SALINGER. I don't think he was particularly interested in that; no, sir.

Mr. KENNEDY. He was interested in having the employees of other businesses other than his own go to unions?

Mr. SALINGER. He was interested in employees of other people belonging to unions, but not so much his own.

Mr. KENNEDY. In fact, the operation that he ran on the docks, was that a union or nonunion operation?

Mr. SALINGER. That was basically a nonunion operation.

Mr. KENNEDY. What about his car wash, have you made a study about that?

Mr. SALINGER. His car wash was a nonunion operation.

Mr. KENNEDY. Mr. Chairman, we have some witnesses who will go into these two matters.

Is there anything else we need to get into the record? The head of the longshoremen spoke of Mr. Ziggy Snyder's background. Has Mr. Ziggy Snyder a criminal record?

Mr. SALINGER. He does.

Mr. KENNEDY. A rather extensive criminal record?

Mr. SALINGER. He does.

Mr. KENNEDY. How many times would it appear that he had been arrested?

Mr. SALINGER. He has one major arrest for armed robbery in 1928. He received a 20- to 40-year sentence for armed robbery. He was sent to the Jackson State Penitentiary and was paroled in 1939.

Since then he has been arrested three times for investigation, twice for armed robbery and once for assault and battery.

Prior to the time that he was sent to the penitentiary he was also arrested for investigation four times.

Mr. KENNEDY. Just before he transferred into the teamsters was there some violence in that area?

Mr. SALINGER. Mr. Snyder reported to the police that someone had tried to kill him.

Mr. KENNEDY. Did the police make an investigation?

Mr. SALINGER. They did.

Mr. KENNEDY. Did he say he was in his car speeding along and somebody took a shot at him?

Mr. SALINGER. He stated that.

Mr. KENNEDY. And the police made an investigation?

Mr. SALINGER. They did.

Mr. KENNEDY. What did they find?

Mr. SALINGER. They came to the conclusion that the car was standing still at the time the shots were pumped into it and it is their theory that he pumped the shots into his own car.

Mr. KENNEDY. That is all.

Senator McNAMARA. Did you run into an NLRB election at the time that these people transferred from the longshoremen or whatever the organization was, into the teamsters?

Mr. SALINGER. I did not.

Senator McNAMARA. My recollection is that there was an NLRB election involved about that time and they went into the teamsters of this election.

Mr. SALINGER. I believe there was an election.

Senator McNAMARA. I am quoting from memory of what happened. I read it in the paper.

Mr. SALINGER. I believe you are right, sir.

Mr. KENNEDY. I believe that is right, sir.

The CHAIRMAN. All right, call the next witness.

Mr. KENNEDY. Mr. Robert McKercher.

The CHAIRMAN. Do you solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. McKERCHER. I do.

TESTIMONY OF ROBERT M. McKERCHER

The CHAIRMAN. Be seated. State your name, your place of residence, and your business or occupation.

Mr. McKERCHER. Robert M. McKercher, 4202 Arlington Drive, Royal Oak, Mich., plant manager, International Milling Co., Detroit.

The CHAIRMAN. You are familiar with the rules of the committee that permit you to have counsel present if you desire?

Mr. McKERCHER. Yes, sir.

The CHAIRMAN. Do you waive counsel?

Mr. McKERCHER. Yes, sir.

The CHAIRMAN. Thank you very much.

Proceed, Mr. Kennedy.

Mr. KENNEDY. Will you tell us a little about your business?

Mr. McKERCHER. We are in the business of milling flour in Detroit, which requires the unloading of grain vessels from the spring portion we bring in from Duluth.

Mr. KENNEDY. In 1954 did you sign a contract for the unloading of your vessel?

Mr. McKERCHER. I did.

Mr. KENNEDY. Will you tell us about that?

Mr. McKERCHER. I signed a contract with Ziggy Snyder doing business as Great Lakes Cargo Handling Co.

Mr. KENNEDY. What other position did Ziggy Snyder have at that time?

Mr. McKERCHER. As far as I know, no other.

Mr. KENNEDY. Did he have any other position?

Mr. McKERCHER. I don't know.

Mr. KENNEDY. Was he with the union at the time?

Mr. McKERCHER. I presume that he was.

Mr. KENNEDY. You know he was, do you not?

Mr. McKERCHER. No, sir; I don't know for sure.

Mr. KENNEDY. Did you have any contact with him prior to that time?

Mr. McKERCHER. Prior to that time whenever it was necessary for us to have a grain vessel unloaded we called Ziggy Snyder.

Mr. KENNEDY. Why did you call Ziggy Snyder?

Mr. McKERCHER. In that case he was acting as business agent for the longshoremen.

Mr. KENNEDY. Then you knew he was the official of a union at that time?

Mr. McKERCHER. I didn't know when he took on this other deal whether he relinquished the other or not.

Mr. KENNEDY. At least prior to January 1954, you knew he was the official of a union?

Mr. McKERCHER. Yes, sir.

Mr. KENNEDY. After January 1954, when he also took on these other responsibilities, the Great Lakes Cargo Handling Co., you didn't know who you were dealing with, whether it was an official of a union or whether it was Ziggy Snyder, businessman?

Mr. McKERCHER. That is correct.

Mr. KENNEDY. But he then took on the handling of the unloading of your ships after that?

Mr. McKERCHER. That is correct.

Mr. KENNEDY. You made a contract with him?

Mr. McKERCHER. I did.

Mr. KENNEDY. He came to see you and made a suggestion that he would set up a company?

Mr. McKERCHER. Yes, he did.

Mr. KENNEDY. What did he say to you?

Mr. McKERCHER. He said he would like have a contract with us for the unloading of his vessels. If I recall correctly, the one reason he gave was that he felt that his men could get in more time during a year—I beg your pardon. That was later. That is when he explained why he took his boys into the teamsters.

I don't know why he wanted it. I know why we were glad to get it.

Mr. KENNEDY. Why were you glad to get it?

Mr. McKERCHER. Because we had had a very loose arrangement before and this offered an opportunity to put our agreement in writing as to the rates of unloading.

At that time we had hoped to develop a laborsaving device which would facilitate the unloading of grain and it gave us an opportunity of putting a clause in the new contract which stated that in the event that such a laborsaving device was installed, we would renegotiate the rate.

Mr. KENNEDY. So you had a deal with Ziggy Snyder as a business agent and you felt that arrangement was too nebulous, is that right?

Mr. McKERCHER. That is right, yes, sir.

Mr. KENNEDY. Then you decided to deal with Ziggy Snyder, businessman, and that seemed to work out better?

Mr. McKERCHER. Yes, sir.

Mr. KENNEDY. Did you sign a contract? You signed a contract, as I understand it, in January 1954 with Ziggy Snyder, businessman. Did you also sign a contract with Ziggy Synder, business agent of the local?

Mr. McKERCHER. No, sir.

Mr. KENNEDY. Did you ever have an arrangement with the local after that?

Mr. McKERCHER. No, sir.

Mr. KENNEDY. He handled everything?

Mr. McKERCHER. Yes, sir.

Mr. KENNEDY. Ziggy Snyder, businessman?

Mr. McKERCHER. That is right.

Mr. KENNEDY. You never had any problem with the local union after that?

Mr. McKERCHER. No, sir.

Mr. KENNEDY. Never any difficulties?

Mr. McKERCHER. No, sir.

The CHAIRMAN. As I understand, prior to the time he set up this corporation and made a contract with you to do your unloading, you had to sign contracts with him as business agent of a union?

Mr. McKERCHER. No, sir.

The CHAIRMAN. I was a little confused. Will you explain it?

Mr. McKERCHER. To the best of my knowledge, I came to Detroit to manage the mill in 1952. At that time we had no contract with anybody for unloading our vessels. We didn't get a contract until 1954, in January.

The CHAIRMAN. What was the difference?

Mr. McKERCHER. The difference as I saw it was before we had no contract we could not know where we were. There was a question in my mind as to who would be liable in the event that one of his employees was injured.

When we wrote the new contract, we had a "hold harmless" clause written in there that would define the liability.

The CHAIRMAN. That is when you wrote the new contract?

Mr. McKERCHER. Yes, sir.

The CHAIRMAN. What about the old contract?

Mr. McKERCHER. There was no old contract.

The CHAIRMAN. Then the new contract was the only contract?

Mr. McKERCHER. Yes, sir.

The CHAIRMAN. There was no old one and a new one?

Mr. McKERCHER. That is right.

The CHAIRMAN. All right, Mr. Kennedy; I did not quite understand that.

Mr. KENNEDY. You do remember the time when Ziggy Snyder brought his people into the teamsters' union?

Mr. McKERCHER. I don't know that I know when it was. No. I think he told me he was going to. I remember looking through my notes. I saw a note to myself when I met with him and Sam Schwartz,

he said that his men were now presently members of Teamsters' Local Union, No. 15.

Mr. KENNEDY. You knew him then also as a union official, did you not, that he was both a businessman operating under this Great Lakes Handling and he was also working as a business agent of the longshoremen's union?

Mr. McKERCHER. I suspected he was.

Mr. KENNEDY. When he told you he was going to bring his people into the teamsters, he was not bringing his people from the Great Lakes Handling Co. He was bringing his people from the local into the teamsters, was he not?

Mr. McKERCHER. That is right.

Mr. KENNEDY. Did you know if any of the people who were working for Ziggy Snyder as businessman were members of the union?

Mr. McKERCHER. No; I didn't.

Mr. KENNEDY. Did you have to pay any dues for them, checkoff or anything?

Mr. McKERCHER. Never.

Mr. KENNEDY. Do you know where he got his people?

Mr. McKERCHER. My guess, and it is a guess, is that some of the people are employees and the bulk that he gets for our particular operation he gets off the street.

Mr. KENNEDY. If you had to guess on it or use your best judgment in telling the committee about this, you would also say they were not members of the union; is that not true?

Mr. McKERCHER. I would guess that they were not.

Mr. KENNEDY. I would like to ask you about the time that they transferred over to the teamsters union. There was a memorandum written about the time that this transfer was made over from the longshoremen's union to the teamsters union.

Mr. McKERCHER. Are you referring to the communication we had from the IBL?

Mr. KENNEDY. I am referring to a memorandum, interoffice memorandum, which reads:

Ziggy and his regular crew unloaded a steamer Saturday and Sunday, September 10 and 11. There was no trouble. The teamsters had a group of stalwarts standing by to assist Ziggy and his men in case of interference by the longshoremen.

It is apparent that Ziggy plans to take the men into the teamsters. He told me the reason is that with the ILA his men get only 9 months' work. With the teamsters they would be used for haulaways.

Apparently he means loading of automobile truck transport.

At the time Ziggy transferred his men into the teamsters union, there was a group of teamsters around to make sure there was no trouble.

Mr. McKERCHER. I didn't see them, but I was told that there were.

Mr. KENNEDY. Didn't the representative of the longshoremen's union come to see you about Ziggy Snyder?

Mr. McKERCHER. He did.

Mr. KENNEDY. And you wrote a memorandum on that visit?

Mr. McKERCHER. To our people, not to him.

Mr. KENNEDY. No; an interoffice memorandum.

Mr. McKERCHER. Yes, sir.

Mr. KENNEDY (reading) :

On December 13, 1955, Weaver, of the longshoremen, was here and tried to interest us in signing up with his organization. He took a dim view of Ziggy's action, claiming he used his office as a business agent to enter into private contracts with individual concerns along the Detroit waterfront.

He also stated Ziggy had been relieved from his duty. He said his outfit had a contract with the McCarthy Steamship Co., and he also understood that the teamsters took over the Detroit harbor terminal.

He told you at that time the difficulties they had with Ziggy Snyder, and he was operating in what appeared to be a clear conflict of interests; is that right?

Mr. McKERCHER. Yes.

Mr. KENNEDY. Did you have any trouble with Ziggy Snyder and his activities?

Mr. McKERCHER. We have several instances. Two of them that I wrote to Ziggy about and one instance after a vessel was unloaded we were missing some masks that the men wear, three aluminum shovels, and other odd paraphernalia that was peculiar to unloading the vessel.

While the amount was not large, I was of the opinion that we should let Ziggy know about it, so we were not about to put up with that sort of thing in the future.

Mr. KENNEDY. I read here, for instance, August 28, 1956, again from your files, on the loading of the *James Watt* :

August 7, 1957, our equipment-check list showed the disappearance of a fair amount of equipment, including 3 chains, 13 dust masks, and so forth.

Is that what you are talking about?

Mr. McKERCHER. That is right.

Mr. KENNEDY (reading) :

I can only say that it appears that missing items remain on board. Ziggy is aware of the situation.

Did you let him know about it?

Mr. McKERCHER. Yes, sir.

Mr. KENNEDY. At a later time, August 23, 1956—

We note also that through poor ship handling there is possibility that the marine leg was sprung. We understand that you have examined it since and apparently there was no damage. This is something we should be very sure about. It was sprung once before and we should be sure that we have not aggravated an already bad situation.

Would that be because of the responsibility of Ziggy Snyder's people?

Mr. McKERCHER. That is questionable at that time, whether or not Ziggy's crew was moving the vessel or whether the vessel was being moved by the shipowners. I believe that note that you read there was a note from myself to our grain elevator foreman.

Mr. KENNEDY. Here is another one on July 21, 1957. You have a number of complaints about the activities of Ziggy Snyder; do you not?

Mr. McKERCHER. There is another complain I believe you have there when it took his group what we thought an extraordinary time to unload the vessel. I wrote a letter to him of which I think you have a copy, calling his attention to the fact that it took a long time and pointing out to him that hurt his operation the same as it hurt ours.

Mr. KENNEDY. Here is another one on February 1, 1957, Mr. Chairman, that I would like to have him read. It gives a rundown of Ziggy Snyder's activities as a businessman in connection with his work for the union.

The CHAIRMAN. Give the copy to the witness. If you do not identify that copy, I have one here I think you will identify.

Mr. McKERCHER. This is correct. This is an accurate copy.

The CHAIRMAN. You may read it.

Mr. McKERCHER. This is a letter from the man that runs our grain department in Detroit to myself.

We thought we should outline to you some of the difficulties we have experienced with Ziggy Snyder's crew on the unload of the *Cuyler Adams*.

Initially, the cleanup of Hold 3 progressed in an extremely slow manner on Tuesday, January 29. We mentioned this to Ziggy and he tried to alibi that some of the delay was caused by freezeup on the air hoses but this freezeup of an hour and 20 minutes did not occur until Wednesday, January 30. It took Ziggy's crew 12 hours on Tuesday to clean 43,154-40# out of Hold 3 thus cleaning it up. 35,825 bushels had been dipped out of this hold the day previous.

In addition to this delay on Hold 3, Ziggy's foreman refused to work the boat later than 8 p. m. on Tuesday evening and the crew walked off the job whereas we had intended to move into another hold for a short dip in preparation for the following morning.

We completed the cleanup on Hold 1 at 4:30 p. m. Wednesday afternoon and due to improper handling of the boat pullers a pin was sheared off the east boat puller putting it out of commission and at 8:00 p. m. that evening the boat still had not been completely pulled into position for dipping from Hold 4. During the process the boat had slipped into the river about 20 feet. In handling the vessel with the west boat puller, difficulty was experienced and they could not pull the boat. It later developed that the shear pin had been stripped on this puller also thus putting it out of commission.

In talking to Ziggy this morning, he claimed it was not his responsibility to operate the boat pullers to which we advised it was our understanding that he should do so. We have not in the past made men available for handling these boat pullers nor were our men available last night for doing the job although they did help out in view of the inability of Ziggy's men to cope with the situation.

The opinion has been expressed, which seems reasonable, that Ziggy's men have not handled the boat puller in a manner which would avoid damage to the equipment. The fact that the lines have not been properly relaxed has resulted in the pullers pretty well working against themselves. This is the best answer we have been able to arrive at as to why the boat pullers were damaged.

The fourth difficulty we have had with the Longshoremen on this vessel resulted today when we at last were able to get the boat moved by the barley truck in order to permit entry of the Grand Trunk ferry. At 15 minutes to 12, the boat was moved sufficiently to allow the ferry to gain access to their slip but again the Longshoremen's crew were lax in not tightening the lines sufficiently to avoid the boat slipping back and away from the dock and the ferry was still unable to proceed. In the meantime the Longshoremen's crew left the scene, presumably to lunch, thus causing another hour or so delay in permitting the entry of the Grand Trunk ferry. This same confusion repeated itself after the ferry got in and then could not get out. We have been unable to work Hold 4 all day and now plan working this evening when the ferry is off.

(Footnote—Dict. 2-1-57:)

Since writing the above letter we have further difficulties to report due to an inadequate crew supplied by Ziggy's organization. We were not able to get a bushel off the *Cuyler Adams* on January 31 due to the delays caused by the ferry and the fact that we could not work the boat further without taking wheat out of Hold 4 thus tying up the ferry further. We therefore were unable to commence Hold 4 until 8:00 p. m. in the evening after the ferry had completed their delayed runs. The truck which we rented handled the job very nicely until 1:00 a. m. when the Longshoremen's crew again allowed the vessel to slip from the dock. From 1:00 a. m. to 4:00 a. m. in the morning the truck endeavored to bring the vessel back into positioning for the final cleanup on

Hold 4 but considerable difficulties was experienced due to ice conditions blocking access to the dock. Eventually the proper spotting was made but the lost time did not enable us to complete Hold 4 prior to the ferry's arrival at 9:00 a. m.

The vessel was moved back to hold 2, on which we could now proceed, due to the dip in hold 4. However, this movement was made by Rickel's barley truck, since the rented truck had either stripped the gears or damaged the clutch and could not operate. Difficulty was again experienced with the men on board not relaxing the lines sufficiently, and the barley truck could not cope with the situation and refused to carry on at that time. The gentleman in charge of the boat crew does not seem to be able to muster his men in a manner that we have enjoyed in the past with his predecessor. In addition, the general crew do not seem to be of a caliber that Ziggy has had in the past.

Mr. KENNEDY. How much does Ziggy Snyder get a year from your company for these activities?

Mr. McKERCHER. It depends on the amount of grain unloaded, but I would say it runs between twenty and twenty-five thousand dollars a year.

Mr. KENNEDY. You admittedly had some difficulty with him?

Mr. McKERCHER. I might add, to be perfectly fair to the gentleman involved, it has since developed that it is not his responsibility to move the vessel. It is ours.

Mr. KENNEDY. So this was not his problem?

Mr. McKERCHER. It was that particular day. But we were wrong, and we didn't know it.

Mr. KENNEDY. What men would do it?

Mr. McKERCHER. Our men.

Mr. KENNEDY. What union do they belong to?

Mr. McKERCHER. Ours belong to AFL Grain Millers and Food Processors.

Mr. KENNEDY. So it was their responsibility?

Mr. McKERCHER. Yes, sir.

Mr. KENNEDY. Had Mr. Snyder's men taken the responsibility at that time? Weren't they the ones doing it?

Mr. McKERCHER. I think it was indefinite. We, unfortunately, had a new elevator foreman and new grainman at the same time. There was some confusion in the elevator as to whose responsibility it was.

Mr. KENNEDY. When you had these kinds of difficulties—and there are a number of memoranda in your files about the problems you were having with Ziggy Snyder's people—you are paying \$20,000 to \$25,000 a year—why didn't you get somebody else to handle this who could do it more efficiently?

Mr. McKERCHER. Who else?

Mr. KENNEDY. Couldn't you get somebody else?

Mr. McKERCHER. I think not.

Mr. KENNEDY. Only Ziggy Snyder. He is the only one?

Mr. McKERCHER. He is alleged to be the boss of the waterfront.

Mr. KENNEDY. He is the boss of the waterfront. He is the only one you could go to; is that right?

Mr. McKERCHER. I would say so.

Mr. KENNEDY. Have you seen Ziggy Snyder lately?

Mr. McKERCHER. I saw him yesterday afternoon.

Mr. KENNEDY. Did you have any conversation with him about this committee?

Mr. McKERCHER. I did.

Mr. KENNEDY. You told him you were coming here?

Mr. McKERCHER. I did.

Mr. KENNEDY. Did he indicate to you that he knew we were interested in him also?

Mr. McKERCHER. The inference was rather broad that he knew that he was being sought.

Mr. KENNEDY. Did he indicate to you that he was going to try to get in touch with us and visit with us here in Washington?

Mr. McKERCHER. He did not.

Mr. KENNEDY. He did not?

Mr. McKERCHER. No, sir.

Senator McNAMARA. If you wanted to get ahold of him today in connection with your business, would you know where to look for him?

Mr. McKERCHER. Senator, I would not. As Mr. Salinger knows, and Mr. Willse, who was up there from your committee, there are about 4 or 5 different numbers that you have to run to before you find him and more often than not you don't find him within an hour or two.

Senator McNAMARA. How did you find him yesterday?

Mr. McKERCHER. He came to our office.

Senator McNAMARA. You still have a contract with him?

Mr. McKERCHER. Yes, sir.

Senator McNAMARA. He still represents the employees?

Mr. McKERCHER. Yes, sir.

Senator McNAMARA. What would you do today if you wanted to reach him in connection with your business?

Mr. McKERCHER. Our grain department has to reach him every time we get a vessel.

Senator McNAMARA. Let us assume you got a vessel right now, what would you do?

Mr. McKERCHER. I don't do it, Senator, but our grain department does and I think they start at the bottom of the list and go down until they reach him.

Mr. KENNEDY. We tried that. We tried every listing.

Senator McNAMARA. It is very interesting how you could get in touch with him yesterday and our people have not been able to get in touch with him all this time.

Mr. McKERCHER. I didn't get in touch with him, Senator. He came into our office.

The CHAIRMAN. What did he get in touch with you about?

Mr. McKERCHER. We had overpaid him on the last vessel that was overloaded.

The CHAIRMAN. He came to return the money before you testified?

Mr. McKERCHER. Not only that but we found we made an error in a previous vessel last spring of the same kind.

The CHAIRMAN. What did he say about testifying before this committee?

Mr. McKERCHER. He said nothing.

The CHAIRMAN. I thought he said he indicated that he didn't want to testify.

Mr. McKERCHER. No, sir. I said the inference in my conversation with him was very broad that he was being sought.

The CHAIRMAN. He intimated to you that he was being sought?

Mr. McKERCHER. Yes, sir.

The CHAIRMAN. Did he tell you to give us any information about where we could find him?

Mr. McKERCHER. No, sir.

The CHAIRMAN. Do you think you could serve a subpoena on him for us?

Mr. McKERCHER. If you will give me the authority I will be glad to try.

The CHAIRMAN. You have the authority. Write out the subpoena.

Mr. KENNEDY. Do you know where he gets his men from?

Mr. McKERCHER. I believe I answered that before. My guess is that he has 3 or 4 men that are with him normally on our vessels and the balance he picks up off the street.

Mr. KENNEDY. What would be the balance ordinarily?

Mr. McKERCHER. We have two types of operations. When we dip a boat we require only 4 or 5 men. When we have a complete cleanup, he uses anywhere from 15 to 18 men. Sometimes 20.

Mr. KENNEDY. There was an accident some time ago involving a 15-year-old boy, was there not?

Mr. McKERCHER. Yes, sir.

Mr. KENNEDY. He was not a member of the union, was he?

Mr. McKERCHER. I don't know. I would guess not.

Mr. KENNEDY. So the majority of the people that work for Ziggy Snyder you would know were not members of the union?

Mr. McKERCHER. No, I wouldn't.

Mr. KENNEDY. Any time there were only 3 or 4, they were regular people that work for Ziggy Snyder?

Mr. McKERCHER. Yes.

Senator McNAMARA. Obviously he goes out and recruits a gang and puts them to work?

Mr. McKERCHER. Yes.

Senator McNAMARA. Why do you pay him \$20,000 or \$25,000 a year? Can't your people do this? They recruit people who are working for jobs. Is that the theory we are proceeding on?

Mr. McKERCHER. Well, sir, prior to my time I understand a good many years ago and this has come down to several people prior to my own management there, I think that our company and the company that we bought out prior to us attempted to do that. It is extremely difficult. We have a regular crew in our flour mill and elevator operation.

We run a lot 24 hours a day and a good many days a week, so we don't have any play. We don't have any surplus of labor. When you bring a vessel in and unload it and require 15 or 20 men you don't have many of your men that you can spare that type of work. The demurrage on the vessel is so high that you don't work 8 hours but you have to continue.

Senator McNAMARA. I understand the problem. If he goes out and hires people that are apparently union people, the union doesn't enter it. He goes down into Michigan or Cass and brings up a load of men and puts them to work. Why should you pay him \$20,000 or \$25,000, because you have employees that could pick these people up?

Mr. McKERCHER. We would rather have him have the headaches than we.

Senator McNAMARA. What are the headaches involved?

Mr. McKERCHER. What kind of help are you going to get.

Senator McNAMARA. The same help?

Mr. McKERCHER. That is right.

Senator McNAMARA. That doesn't help?

Mr. McKERCHER. It takes more supervision than we have.

Senator McNAMARA. Then he supervises these people, or his 4 or 5 men?

Mr. McKERCHER. That is right.

Senator McNAMARA. He has the framework. He has 2 or 3 lead men that he puts on the job.

Mr. McKERCHER. He has 2 or 3 lead men that he puts on the job.

Senator McNAMARA. That is worth \$20,000 or \$25,000 a year to your company?

Mr. McKERCHER. We think so.

Mr. KENNEDY. That is all.

The CHAIRMAN. You stand by a minute. That is all for your testifying. I am going to authorize and empower you right now to serve a subpoena on Zigmont Snyder. I will have it ready and present it to you in a little while. You are deputized and authorized to perform that service for the committee.

Mr. McKERCHER. Yes, sir.

Mr. KENNEDY. We made an examination and found this 15-year-old boy who was injured and there was also an 18-year-old boy who was injured. They are both nonunion. They were working in a crew of eight at the time this accident took place. We have been assured that none of the eight were members of the union.

The CHAIRMAN. The whole purpose of this testimony is that some of these so-called union boys that are associated with Mr. Hoffa demonstrate their lack of concern for the welfare of working people by engaging in these collusive practices that result in services that conflict with union interests.

Mr. KENNEDY. Now we are going into the car-wash activities of Mr. Zigmont Snyder, Mr. Chairman. We will call Mr. William Neff.

The CHAIRMAN. Do you solemnly swear the evidence you shall give before this select committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. NEFF. I do.

TESTIMONY OF WILLIAM JOHN NEFF

The CHAIRMAN. State your name, your place of residence, and business or occupation.

Mr. NEFF. My name is William John Neff. I live at 804 East Hayes, Hazel Park, Mich. Manager of a parking garage in downtown Detroit.

The CHAIRMAN. You waive right of counsel?

Mr. NEFF. I do.

The CHAIRMAN. Thank you.

Mr. KENNEDY. You are manager of the Patton Garages?

Mr. NEFF. Yes, sir.

Mr. KENNEDY. And you have a large number of cars?

Mr. NEFF. Yes, sir.

Mr. KENNEDY. You have taken those cars or were taking them to the Cass Auto Wash to be washed?

Mr. NEFF. Yes, sir.

Mr. KENNEDY. Could you tell us whether you were approached by any union official to change the place where you were taking your cars?

Mr. NEFF. I was called by Mr. Welch.

Mr. KENNEDY. Identify Mr. Welch.

Mr. NEFF. He is business agent for the teamsters. I don't know what local he is with. But he called me and asked me if I would send my cars——

Mr. KENNEDY. Local 985?

Mr. NEFF. I don't know.

Mr. KENNEDY. That is Mr. William Buffalindo's local?

Mr. NEFF. I believe so.

Mr. KENNEDY. That is the local that handles the juke boxes and car wash?

Mr. NEFF. I think so.

Mr. KENNEDY. The coin machines and car wash.

Mr. NEFF. I believe so.

Mr. KENNEDY. Mr. Welch is a business agent. He came to you and asked you to change the place that you were sending your cars?

Mr. NEFF. He said he had a friend who was starting up a car wash and would like to have those cars sent over to him.

Mr. KENNEDY. Where did he say he wanted you to send your cars?

Mr. NEFF. He didn't say the exact name of the place, but he said it would start up on Temple and Cass.

Mr. KENNEDY. Is it Fort Wayne Manor Auto Wash at that area at Temple and Cass?

Mr. NEFF. That is right. But at that time it was not there. At the time he called me. He said in 2 or 3 weeks it would start up.

Mr. KENNEDY. The car wash opened at the location that he said his friend was going to open up a car wash?

Mr. NEFF. That is right.

Mr. KENNEDY. He asked you to take your cars from the place you were having them washed and move over there?

Mr. NEFF. That is right.

Mr. KENNEDY. What did you tell him?

Mr. NEFF. I told him we were satisfied with the Cass Auto Wash, and I would not send them down there.

Mr. KENNEDY. Subsequently within a short period of time, was there a strike called on the Cass Auto Wash?

Mr. NEFF. I don't know if there was a strike, but there was a picket line around there, and I was called and told not to send the cars down there, that they had a picket line around the place.

Mr. KENNEDY. Who told you that?

Mr. NEFF. Mr. Welch.

Mr. KENNEDY. Mr. Welch then called you and told you not to send your cars any longer to Cass Auto Wash because they had placed a picket around the place?

Mr. NEFF. That is right.

Mr. KENNEDY. As I understand it, the employees of Cass Auto Wash were not on strike?

Mr. NEFF. No; they were not.

Mr. KENNEDY. These were outsiders that came by and started picketing the Cass Auto Wash?

Mr. NEFF. I don't know if they were all union men or not. I couldn't tell you that. I know they were not on strike themselves.

Mr. KENNEDY. The employees of the auto wash were not on strike. It was the outsiders that came in that walked with pickets. Mr. Welch came to you and told you that there were pickets and you should no longer send your cars there?

Mr. NEFF. That is right.

Mr. KENNEDY. Did you change the place that you were sending your cars?

Mr. NEFF. Yes. I sent it to a car wash on Woodward Avenue, the National Car Wash.

Mr. KENNEDY. Why didn't you send your cars to the Fort Wayne Manor Auto Wash, which was the friend of Mr. Welch?

Mr. NEFF. I didn't—I didn't want any trouble and I was a little stubborn, I guess.

Mr. KENNEDY. Will you tell the committee why you didn't do what Mr. Welch requested?

Mr. NEFF. I didn't feel it would be right to send them over there. Bernie did a good job for me. I just figured I would send them to a different place which was a union car wash.

Mr. KENNEDY. You had talked to the proprietor of Cass Auto Wash and he suggested this place you ultimately sent them to?

Mr. NEFF. That is right.

Mr. KENNEDY. Did you send them there because he had been a friend of yours? The man at Cass Auto Wash?

Mr. NEFF. That is right. I sent them to National Car Wash on Woodward Avenue.

Mr. KENNEDY. Did you do it because you felt the union had been causing Cass Auto Wash some difficulty?

Mr. NEFF. No; I wasn't forced.

Mr. KENNEDY. Did Mrs. Snyder ever come to see you? Mrs. Zigmont Snyder?

Mr. NEFF. Yes. She came over and asked me if I would not send the cars over to her. I said, no, we were satisfied with the Cass Car Wash and when the picket line was removed I would send them back down there again.

Mr. KENNEDY. So you would not send them to the Fort Wayne Manor Auto Wash?

Mr. NEFF. No, sir.

Mr. KENNEDY. Do you know how long the strike lasted?

Mr. NEFF. Quite a while, I would say.

Mr. KENNEDY. I mean the picket line.

Mr. NEFF. Maybe 5 or 6 months. I am not sure. It was quite a while.

Mr. KENNEDY. You never sent your cars to the Fort Wayne Manor Auto Wash, is that right?

Mr. NEFF. No; I didn't.

Mr. KENNEDY. Do you know whether this car wash that the pickets were put on was a union shop?

Mr. NEFF. I don't know whether all the employees did, but I guess some of them did. I imagine, I don't know.

Mr. KENNEDY. You don't know?

Mr. NEFF. I don't know.

Mr. KENNEDY. Do you send your cars back to the Cass Auto Wash?

Mr. NEFF. Yes; they are doing them now.

Mr. KENNEDY. Where you originally did it?

Mr. NEFF. Yes.

Mr. KENNEDY. As a result of the picket line did they become a fully organized place?

Mr. NEFF. What do you mean?

Mr. KENNEDY. They took the picket line off?

Mr. NEFF. They took the picket line off. The day they took the picket line off I sent the cars back.

Mr. KENNEDY. Did that mean that the place was organized?

Mr. NEFF. No; it is still not union.

Mr. KENNEDY. The pickets were taken off without succeeding in creating a union plant?

Mr. NEFF. That is right.

Mr. KENNEDY. So you have taken your cars from a union place, National, to what you believe to be a nonunion place?

Mr. NEFF. That is right.

Mr. KENNEDY. All right.

Mr. Chairman, the particular significance of Mr. Neff's testimony is Mr. Welch approaching him and suggesting that he take his automobiles to the Fort Wayne Manor Auto Wash, because the Fort Wayne Manor Auto Wash which was operated by Zigmont Snyder was a non-union shop. So we have the situation of a union official, business agent of a local, going to a company and asking them to transfer their business to a nonunion shop.

We will now call another witness who will testify on that.

Thank you.

Mr. James Wadlington.

The CHAIRMAN. Will you be sworn. You do solemnly swear that the evidence you shall give before this select committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. WADLINGTON. I do.

TESTIMONY OF JAMES E. WADLINGTON

The CHAIRMAN. Be seated. State your name, your place of residence and your business or occupation.

Mr. WADLINGTON. James E. Wadlington, Detroit, Mich.

The CHAIRMAN. James—

Mr. WADLINGTON. E. Wadlington.

The CHAIRMAN. Wadlington.

Mr. WADLINGTON. Detroit, Mich.; I work at Fort Wayne Manor Car Wash.

Mr. KENNEDY. The Fort Wayne Manor Wash is the auto wash that is operated by Mrs. Zigmont Snyder?

Mr. WADLINGTON. Yes.

Mr. KENNEDY. You have been working there how long?

Mr. WADLINGTON. For about a month.

Mr. KENNEDY. You came from what State?

Mr. WADLINGTON. Kentucky.

Mr. KENNEDY. And you went to Detroit and went to work there; is that right?

Mr. WADLINGTON. That is right.

Mr. KENNEDY. And you have been working there for approximately a month?

Mr. WADLINGTON. That is right.

Mr. KENNEDY. Are you a member of any union?

Mr. WADLINGTON. No.

Mr. KENNEDY. Were you ever asked to sign a union card?

Mr. WADLINGTON. No.

Mr. KENNEDY. Was the union ever mentioned to you?

Mr. WADLINGTON. Some of the guys talked about it.

Mr. KENNEDY. But you never became a member of the union yourself?

Mr. WADLINGTON. No.

Mr. KENNEDY. And they are not members of the union?

Mr. WADLINGTON. No.

Mr. KENNEDY. Working for Mr. Zigmont Snyder in his auto wash, how much money did you make there? For instance, for last week or last Friday.

Mr. WADLINGTON. About \$1.60.

Mr. KENNEDY. That is how much you made?

Mr. WADLINGTON. Yes.

Mr. KENNEDY. How many hours did you work there?

Mr. WADLINGTON. 11½.

Mr. KENNEDY. What time do you start?

Mr. WADLINGTON. 7:30.

Mr. KENNEDY. And you work until 7 o'clock at night?

Mr. WADLINGTON. That is right.

Mr. KENNEDY. And you made about \$1.60?

Mr. WADLINGTON. That is right.

Mr. KENNEDY. How much did you make the day before?

Mr. WADLINGTON. I don't remember but it was not much. It was probably less than that.

Mr. KENNEDY. \$1.60 at Mr. Snyder's auto wash is a pretty good salary?

Mr. WADLINGTON. Yes.

Mr. KENNEDY. That is about as high as you can get?

Mr. WADLINGTON. You can go a little higher. Yesterday we made more.

Mr. KENNEDY. How much did you make yesterday?

Mr. WADLINGTON. \$2.70 yesterday.

Mr. KENNEDY. For 11½ hours?

Mr. WADLINGTON. That is right.

Mr. KENNEDY. How much you make a week, approximately?

Mr. WADLINGTON. About \$6 or \$7.

Mr. KENNEDY. About \$6 or \$7 a week?

Mr. WADLINGTON. Yes; 7 days.

Mr. KENNEDY. That is a 7-day week?

Mr. WADLINGTON. Yes.

Mr. KENNEDY. 11½ hours?

Mr. WADLINGTON. Yes.

Mr. KENNEDY. Do you know Mr. Zigmont Snyder is a business agent of Mr. Hoffa's teamsters' union?

Mr. WADLINGTON. No; I did not know.

Mr. KENNEDY. That is about \$7 a week you make?

Mr. WADLINGTON. That is right. Maybe a little, but not too much.

Mr. KENNEDY. Do they have a box there for you to have tips?

Mr. WADLINGTON. They did for a while, and then she removed it.

Mr. KENNEDY. Mrs. Snyder removed the box?

Mr. WADLINGTON. Yes.

Mr. KENNEDY. You don't get tips at all?

Mr. WADLINGTON. No, sir.

Mr. KENNEDY. Are you thinking of leaving that job?

Mr. WADLINGTON. I got an application for other places and I am waiting for one to come through.

Mr. KENNEDY. It is difficult to find work in Detroit?

Mr. WADLINGTON. It is a bad place to find work.

Mr. KENNEDY. You haven't money to transfer to another city?

Mr. WADLINGTON. No.

Mr. KENNEDY. So you have had to stay there?

Mr. WADLINGTON. That is right.

Mr. KENNEDY. And this is the best job you can get there at the time?

Mr. WADLINGTON. It is the only job.

Mr. KENNEDY. Were you in the military services?

Mr. WADLINGTON. That is right.

Mr. KENNEDY. How long were you in?

Mr. WADLINGTON. Fifteen months.

Mr. KENNEDY. In the Army?

Mr. WADLINGTON. In the Army.

Mr. KENNEDY. You served without any trouble?

Mr. WADLINGTON. Yes; without any trouble.

Senator McNAMARA. You mean that you have agreed to work for \$1.60 a day?

Mr. WADLINGTON. That is all I could find.

Senator McNAMARA. I know, but did you agree to go to work for 11½ hours for \$1.60?

Mr. WADLINGTON. She pays 60-40 on the line.

Senator McNAMARA. You mean they charge a dollar for a car wash?

Mr. WADLINGTON. That is right.

Senator McNAMARA. Sixty cents goes to who?

Mr. WADLINGTON. The boss, Mrs. Snyder.

Senator McNAMARA. You get 40 cents?

Mr. WADLINGTON. That is right.

Mr. KENNEDY. I better explain that. There are about 10 of you?

Mr. WADLINGTON. That is right.

Mr. KENNEDY. The 40 cents is split among the 10 of you?

Mr. WADLINGTON. That is right.

Mr. KENNEDY. For each car that comes in you get 4 cents; is that right?

Mr. WADLINGTON. That is right.

Senator McNAMARA. Then in a day you would have to wash 40 cars to get \$1.60; is that right?

Mr. WADLINGTON. Yes, sir; something like that.

Senator McNAMARA. Forty cars for 11 hours; that would be 3 or 4 an hour.

Mr. WADLINGTON. Sometimes we have a little more and sometimes we have less.

Senator McNAMARA. Are there about 10 in your gang?

Mr. WADLINGTON. Sometimes it is 10, 11. Sometimes it is less. Yesterday we had 7.

Senator McNAMARA. That is why you made more money?

Mr. WADLINGTON. That is right.

Senator McNAMARA. You are not kept very busy. It is a piecework setup. You get so much a car, a gang price.

Mr. WADLINGTON. That is right.

Senator McNAMARA. You didn't agree to work for \$1.60 a day?

Mr. WADLINGTON. No.

Senator McNAMARA. You agreed to work for so much per car?

Mr. WADLINGTON. That is right.

Senator McNAMARA (presiding). Is there anything further?

Mr. KENNEDY. Not at this time. You will remain over until tomorrow and they will arrange a place for you tonight.

Senator McNAMARA. Will you call the next witness.

The CHAIRMAN. Will the witness please return to the stand a moment?

I regret to interrupt, but the Chair did not hear all of your testimony. I had some other matters to attend to at the moment.

Did I understand you get only 4 cents a car for washing a car?

Mr. WADLINGTON. Yes, sir. It all depends on how many is in the gang or on the line. Yesterday there was seven. I made a little better than 4 cents.

The CHAIRMAN. But the employees get about 4 cents for washing a car?

Mr. WADLINGTON. We get 40 cents on the line. If there are 10 of us we will make 4 cents a car. If it is less, we make a little more on a car.

The CHAIRMAN. In other words, whoever washes the car gets 40 cents?

Mr. WADLINGTON. That is right.

The CHAIRMAN. What do they charge for washing a car?

Mr. WADLINGTON. One dollar.

The CHAIRMAN. They charge a dollar?

Mr. WADLINGTON. That is right.

The CHAIRMAN. So they make 60 cents for an investment of 40 cents in wages.

Mr. KENNEDY. I think we might explain.

The CHAIRMAN. I don't understand it. I can't understand these folks that go around and picket other people's places and make them join a union setting up a plant like that, paying a wage that will amount to about a dollar and something a day—\$1.60 a day as a maximum—if that is not exploitation of labor from those who profess and who should try to protect labor, I don't know what exploitation is.

You have no other job. You have no other means of a livelihood?

Mr. WADLINGTON. That is right.

The CHAIRMAN. They are taking advantage of you; this man Ziggy Snyder is taking advantage of you in that fashion; is that correct?

Mr. WADLINGTON. That is correct. Not only me. There is a lot more others.

The CHAIRMAN. How many others?

Mr. WADLINGTON. Sometimes it is 10, sometimes 7, sometimes 5. Some guys don't come back after the first time.

The CHAIRMAN. The only reason you come back is you would rather do that rather than not eat.

Mr. WADLINGTON. That is right. I am staying with a friend of mine and rather than staying at the house I go down there.

Mr. KENNEDY. You had some money when you left Kentucky?

Mr. WADLINGTON. Yes, sir.

Mr. KENNEDY. And you have used that up?

Mr. WADLINGTON. That is right.

Mr. KENNEDY. You have not been able to live on a dollar a day?

Mr. WADLINGTON. That is right.

Mr. KENNEDY. You have had to use the money you brought from Kentucky?

Mr. WADLINGTON. That is right.

Mr. KENNEDY. It is about all gone?

Mr. WADLINGTON. It is about all gone.

The CHAIRMAN. Do you know Mr. Hoffa?

Mr. WADLINGTON. No, sir.

The CHAIRMAN. Do you know whether he knows or not about your predicament?

Mr. WADLINGTON. No, sir.

Mr. KENNEDY. We interviewed a large number of people similar to Mr. Wadlington and his is not a unique case. He is in a position that is not peculiar at all in Detroit. It was of particular interest to us after the investigation we made in New York City and we found that the car washers there were being paid a small price or small salary and it was the result of a sweetheart contract made with the union.

But it in no way compares with the salary that these people make in Detroit as far as the car washers are concerned. It is far less in Detroit than even these people made in New York who were the employees of a company that had made a sweetheart contract. Obviously, the union knew about this situation, Mr. Chairman, because Mr. Welch, the union official, suggested to another company that he send his cars to this place, Mr. Zigmont Snyder's place.

The union and union officials knew about this and knew it was not nonunion. These are people that are operating in Detroit and are closely related and associated with Mr. James Hoffa.

Senator McNAMARA. I wanted to ask the witness if he knows whether this 60-40 arrangement is the general arrangement in the car-washing business?

Mr. WADLINGTON. I don't know that.

Senator McNAMARA. We will have somebody else who may know. Thank you.

Mr. KENNEDY. Mr. Chairman, we have an affidavit in connection with this car wash that I would like to have read into the record.

The CHAIRMAN. Someone read it into the record.

Mr. SALINGER. This is the affidavit of Carl Davenport.

Carl Davenport, being first duly sworn, deposes and says that he resides at 2660 St. Joseph, Detroit, Mich.; that he is married and has four children; and has personal knowledge of the facts herein stated.

Deponent further says that on or about the opening day, when the Fort Wayne Manor Auto Wash, at the southeast corner of Cass and Temple, opened for business, deponent answered the sign "car washers wanted," and was employed as a car washer; that Mr. Zigmont Snyder, one of the owners, gathered all of the men together and said, "This is a union house. You will each receive a daily guaranty of \$4 and the men on the line will split 45 cents per car."

Deponent was not asked to sign any union membership application card, and deponent is not a member of any auto-wash union.

Deponent further says that on the first day deponent worked, the line consisted of 11 men, working from 7:30 a. m. to 7 p. m., and 85 cars were washed on that day, as they were told. Deponent received \$4 for his work for that day.

On the second day deponent and other employees were told that 65 cars were washed, and he again received \$4 for that day, working from 7:30 a. m. to 7 p. m.

On the third day, between 35 and 40 cars were washed, as to the best of this deponent's recollection, and this deponent received \$3 for his day's work, from 7:30 a. m. to 7 p. m. Thereafter, deponent missed working several days.

Deponent reported for work on several rainy days, but was told to go home and was paid nothing except on a couple of occasions the line boss gave deponent 25 cents "for carfare."

On Wednesday, August 15, 1956, the line consisted of 5 men, washed 50 cars, and deponent was paid \$2.50 for working from 7:30 a. m. to 7 p. m.

Deponent further says that on Thursday, August 16, 1956, a line consisting of 6 men washed 55 cars and deponent received \$2.10, for working from 7:30 a. m. to 7 p. m.

That on Monday, August 20, 1956, deponent worked with a line of 5 men, from 7:30 a. m. to 7 p. m. and received \$2.50.

Deponent further says that on Thursday, August 23, 1956, he went to work and was told there was no work and was paid nothing.

Deponent further says that in addition to the men on the line mentioned above, the said auto wash had 3 regular salaried men, who were paid by the week.

Further deponent says not.

/s/ CARL DAVENPORT, *Deponent.*

Subscribed and sworn to before me this 23d day of August, A. D. 1956.

/s/ MARY ANN WELICS,
Notary Public, Wayne County, Mich.

My commission expires February 9, 1959.

The CHAIRMAN. Call the next witness.

Mr. KENNEDY. Mr. Joe Lewis.

The CHAIRMAN. Is your name Joe or John?

Mr. LEWIS. Neither.

The CHAIRMAN. What is it?

Mr. LEWIS. Clinton.

The CHAIRMAN. Do you solemnly swear that the evidence you shall give before this select committee will be the truth, the whole truth, and nothing but the truth, so help you God?

TESTIMONY OF CLINTON LEWIS

Mr. LEWIS. I do.

The CHAIRMAN. State your name.

Mr. LEWIS. Clinton Lewis.

The CHAIRMAN. Where do you live?

Mr. LEWIS. 1335 Ettley.

The CHAIRMAN. What city?

Mr. LEWIS. Detroit.

The CHAIRMAN. What do you do?

Mr. LEWIS. I work in a Simoniz department at the Hackwax wash rack.

The CHAIRMAN. How long have you been working there?

Mr. LEWIS. A year this past March 23.

The CHAIRMAN. Two years past?

Mr. LEWIS. A year this past 23d of March.

The CHAIRMAN. The 23d of March you had been working there a year?

Mr. LEWIS. Yes.

The CHAIRMAN. And you are still working?

Mr. LEWIS. I was working in the wash department until February.

The CHAIRMAN. You have a right to have a lawyer while you testify. Do you think you need a lawyer?

Mr. LEWIS. No; I don't think so.

The CHAIRMAN. If you need one, you call on me. I will try to help you. Proceed.

Mr. KENNEDY. Mr. Lewis, the car wash, Hackwax, is a union shop; is it not? You are a member of the union?

Mr. LEWIS. Yes, supposed to be.

Mr. KENNEDY. The teamsters union?

Mr. LEWIS. Yes; it is all affiliated.

Mr. KENNEDY. Local 985?

Mr. LEWIS. Yes.

Mr. KENNEDY. Did you ever attend a union meeting?

Mr. LEWIS. No.

Mr. KENNEDY. Were you ever notified about a union meeting?

Mr. LEWIS. No.

Mr. KENNEDY. Did you ever receive notification of any kind that you would have a meeting at the union hall?

Mr. LEWIS. I have not.

Mr. KENNEDY. Are dues paid by you to the union?

Mr. LEWIS. Through the boss. He deducts 10 cents.

Mr. KENNEDY. How much do you pay to the union?

Mr. LEWIS. He deducts 10 cents each day.

Mr. KENNEDY. That is deducted from your salary?

Mr. LEWIS. Each employee; yes.

Mr. KENNEDY. Ten cents a day that you work?

Mr. LEWIS. Yes.

Mr. KENNEDY. If you work 7 days a week, that would be 70 cents. For that 70 cents a week, what is the salary that you receive from this union auto wash? How much do you receive a week, approximately?

Mr. LEWIS. The most I have ever drawn, the department I am working in now, is \$18.

Mr. KENNEDY. That is a good week for you?

Mr. LEWIS. Yes.

Mr. KENNEDY. For the services of getting you that \$18 a week for a 7-day week, how many hours a day do you work?

Mr. LEWIS. I work from 8 in the morning until 6 at night. In that department I work in. I am in the Simoniz department. When I first started working I worked in the wash department.

Mr. KENNEDY. How much did you make in that department?

Mr. LEWIS. The most I ever made was \$30.

Mr. KENNEDY. You made \$30.

Mr. LEWIS. Yes; that was before the union.

Mr. KENNEDY. You are making less now since the union came in?

Mr. LEWIS. Yes.

Mr. KENNEDY. You were doing better before?

Mr. LEWIS. On the wash rack side I was.

Mr. KENNEDY. You work for 10 hours a day?

Mr. LEWIS. From 8 until 6.

Mr. KENNEDY. That would be 7 days a week?

Mr. LEWIS. No; 6 days in the Simoniz department.

Mr. KENNEDY. For 60 hours a week you make \$18; is that right?

Mr. LEWIS. That is right.

Mr. KENNEDY. That is about 30 cents an hour.

Mr. LEWIS. I presume so.

Mr. KENNEDY. And the union deducts 10 cents a day out of your salary?

Mr. LEWIS. Yes.

Mr. KENNEDY. Do you have any other deductions?

Mr. LEWIS. Yes.

Mr. KENNEDY. What?

Mr. LEWIS. Social security, and 55 cents a week for my uniform.

Mr. KENNEDY. And the company deducts that; is that right?

Mr. LEWIS. That is right.

Mr. KENNEDY. You have never been to a union meeting or ever notified about a union meeting?

Mr. LEWIS. I haven't as yet.

Mr. KENNEDY. Did you vote for the delegates that are going to the convention in Miami?

Mr. LEWIS. Pardon?

Mr. KENNEDY. Did you vote for the delegates?

Mr. LEWIS. No.

Mr. KENNEDY. That are going from your union to Miami?

Mr. LEWIS. You say did I vote for them?

Mr. KENNEDY. Yes.

Mr. LEWIS. No.

Mr. KENNEDY. Did you ever vote for any union official?

Mr. LEWIS. No.

Mr. KENNEDY. Did you know that your union was sending a delegate down to Miami?

Mr. LEWIS. No.

Mr. KENNEDY. You knew nothing about that?

Mr. LEWIS. I did not.

Mr. KENNEDY. Do you know where the union hall is?

Mr. LEWIS. It is on the West Side someplace. I have never been there. It is on 23d Street, I think.

Mr. KENNEDY. Has any union official ever spoken to you?

Mr. LEWIS. No.

Mr. KENNEDY. Never has?

Mr. LEWIS. No.

Mr. KENNEDY. You still pay 70 cents a week?

Mr. LEWIS. Yes.

The CHAIRMAN. How did you happen to join the union?

Mr. LEWIS. I joined when I was working at St. Claire Shores. That was on the 22,000 block on Mack Avenue.

The CHAIRMAN. How long have you been a union member?

Mr. LEWIS. About 2 years now.

The CHAIRMAN. Someone spoke to you when you first joined? I understood you were making about \$30 a week before you joined the union and now you are only making \$18. Can you explain that?

Mr. LEWIS. I don't know unless it is because the union is in there. He pays them less now than he did before.

The CHAIRMAN. Since the union came in you get less?

Mr. LEWIS. Yes.

The CHAIRMAN. Does that apply to all the employees?

Mr. LEWIS. Most of them.

The CHAIRMAN. It applies to most of them?

Mr. LEWIS. Yes.

The CHAIRMAN. How many are there?

Mr. LEWIS. Around the neighborhood of 35 or 40 on both sides, including the Simoniz department. There are only 13 in my department.

The CHAIRMAN. About 13 in your department and 35 to 40 in all?

Mr. LEWIS. Yes.

The CHAIRMAN. Is this true: That you are getting less money now since the union came in? Is that true with respect to all of the 13 in your department?

Mr. LEWIS. No; their salaries vary. Some makes more. I am guaranteed \$21 a week, supposed to, but I have never made it. \$25.

The CHAIRMAN. You were guaranteed about \$25 a week?

Mr. LEWIS. Yes.

The CHAIRMAN. But the biggest week you have had lately is \$18?

Mr. LEWIS. That is right.

The CHAIRMAN. Are there others there drawing only \$18 a week?

Mr. LEWIS. Yes.

The CHAIRMAN. How many, do you know?

Mr. LEWIS. There is about 2 or 3 of them.

The CHAIRMAN. Two or three of them drawing the same amount you are?

Mr. LEWIS. Yes.

The CHAIRMAN. Were they drawing more before the union came in?

Mr. LEWIS. No, they was not working for the company when they first started. They started this Simoniz department.

The CHAIRMAN. They started late?

Mr. LEWIS. In the Simoniz department; yes.

The CHAIRMAN. I just want to get it straight. I don't want you to misrepresent anything. Is it generally true that in this place where you work, since the union came in most of the people who work there are getting less than they did before the plant became a union establishment? Is that true or not?

Mr. LEWIS. Some make more than others.

The CHAIRMAN. I know some make more than others. They did that before the union came along. What I am talking about is, since the union came has it had the effect of reducing your wages?

Mr. LEWIS. As far as my part is concerned, it has.

The CHAIRMAN. It is certainly true as far as you are concerned?

Mr. LEWIS. Yes.

The CHAIRMAN. Do you know of others? Has it had the same effect on others to reduce their wages?

Mr. LEWIS. Yes.

The CHAIRMAN. You can't tell us how many?

Mr. LEWIS. Not exactly.

Mr. KENNEDY. Mr. Chairman, I might say in that connection that a number of the auto washes we interviewed, the employees and management, we found this situation to be true in a number of different places.

The employees were making more prior to the time that the union came in. It is not unique with this gentleman, Mr. Louis, in Detroit.

Senator McNAMARA. Do you have a union book?

Mr. LEWIS. No.

Senator McNAMARA. Do you have a union card?

Mr. LEWIS. No.

Senator McNAMARA. Why do you think you are a union man?

Mr. LEWIS. Because I signed one of the slips.

Senator McNAMARA. You signed on the slip?

Mr. LEWIS. Where they came to the place I am working now I didn't need to sign any more.

Senator McNAMARA. You signed a slip that you would join the union?

Mr. LEWIS. Sure.

Senator McNAMARA. You don't have any card; you don't have any book; you don't get notified of any meeting?

Mr. LEWIS. No.

Senator McNAMARA. You don't know the number of the union you belong to?

Mr. LEWIS. Yes; 985 I think it is.

Senator McNAMARA. You didn't know when you started, but somebody told you the number here?

Mr. LEWIS. He mentioned it here.

Senator McNAMARA. You think that is the right one?

Mr. LEWIS. Yes. I think so.

Senator McNAMARA. I think maybe you just think you are a union man.

Mr. LEWIS. Probably so.

Senator McNAMARA. You don't have any book; you don't have any card; you don't have any identification of anything. You are not notified of any meetings.

Mr. LEWIS. No, I have not as yet.

Senator McNAMARA. Who tells you to put the dime a day in the box?

Mr. LEWIS. Pardon?

Senator McNAMARA. You put a dime a day in the box?

Mr. LEWIS. No, he deducts out of our salary.

Senator McNAMARA. Who deducts it?

Mr. LEWIS. Generally Suskey.

Senator McNAMARA. You think he pays it to someone or do you know it?

Mr. LEWIS. I wouldn't swear it.

Senator McNAMARA. Have you seen someone come around and collect?

Mr. LEWIS. No.

Senator McNAMARA. I don't understand it either, Mr. Chairman.

Mr. Chairman, I would like to ask the witness another question. Do you get paid by check?

Mr. LEWIS. Yes.

Senator McNAMARA. Does it show "Union dues—70 cents a week"?

Mr. LEWIS. No.

Senator McNAMARA. Do you get paid every week?

Mr. LEWIS. Yes.

Senator McNAMARA. It doesn't show a union deduction every week?

Mr. LEWIS. No.

Senator McNAMARA. All right.

The CHAIRMAN. The Chair is advised that we have an investigator in that area. I have instructed that the investigator check with this place where you work and some others to determine whether this is just a shakedown of you by your employer or whether the money that he collects or deducts from your wages is transmitted to some union and to what union. So we are going to find out.

You know that you don't get the 70 cents. You know you don't get it?

Mr. LEWIS. No.

The CHAIRMAN. It is deducted from your wages?

Mr. LEWIS. Yes.

The CHAIRMAN. You understand it to be your union dues?

Mr. LEWIS. That is right.

The CHAIRMAN. That is what you have been told?

Mr. LEWIS. Yes.

The CHAIRMAN. If it is deducted, you know it is deducted, then that money either is being withheld by your boss, by the management that you work for and is a shakedown in that fashion, or it actually goes to a union. So we are going to find out.

I just wanted the record clear. We will pursue it further.

Thank you, you may stand aside.

Mr. KENNEDY. Mr. Chairman, we have one more witness on a different matter. It is in connection with the prior testimony of Mr. Fitzsimmons, and his statement about his relationship with Mr. Howard Craven. I don't believe this witness will be too long and we will be finished for this afternoon.

The CHAIRMAN. Mr. Craven, come around. Will you be sworn?

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. CRAVEN. I do.

The CHAIRMAN. Be seated. State your name.

TESTIMONY OF HOWARD C. CRAVEN

Mr. CRAVEN. Howard C. Craven.

The CHAIRMAN. Where do you live?

Mr. CRAVEN. 607 Maple Valley, Raleigh, N. C.

The CHAIRMAN. What business are you in or what is your occupation?

Mr. CRAVEN. I didn't hear that.

The CHAIRMAN. What do you do? What business are you in? What is your occupation?

Mr. CRAVEN. I did have a motion-picture film delivery and the lithographing that you see in some of the theaters in Detroit, Mich.

Mr. KENNEDY. Mr. Craven is hard of hearing. Maybe it would be well if Mr. O'Donnell, who interviewed him before, would sit with him and relay the answers and the questions.

The CHAIRMAN. We have difficulty hearing and understanding you, too, so we are going to have some assistance. Mr. O'Donnell will sit by you and help both of us.

(At this point, Senator Mundt returned to the room.)

The CHAIRMAN. State again what you do. What is your work?

Mr. CRAVEN. I am a watchman right now.

The CHAIRMAN. Counsel, will you take over and interrogate the witness?

Mr. KENNEDY. Mr. Chairman, Mr. Howard Craven operated a company called Theater Trucking—no, what was the name of the company?

Mr. O'DONNELL. Exhibitors Service Co., in Detroit.

Mr. KENNEDY. During 1940. He testified before the Hoffman committee regarding an incident or a series of incidents that he had with Mr. Fitzsimmons who is a business agent of the teamsters local in Detroit.

Mr. Fitzsimmons when he testified was asked some questions about his relationship with Mr. Craven. He was asked whether Mr. Craven was forced to give him 90 percent of his business in order to avoid having any labor difficulty.

(At this point, Senator McNamara left the room.)

Mr. KENNEDY. Mr. Fitzsimmons denied receiving 90 percent of Mr. Craven's business, and he also denied knowing anything of the details of it although he was present when the contract was signed. We have asked Mr. Craven to come here and testify about the relationship that he had with Mr. Fitzsimmons. Whether he did in fact pay Mr. Fitzsimmons any money and whether Mr. James Hoffa was aware of the fact that he was paying Mr. Fitzsimmons money and then Mr. Fitzsimmons had an interest in this business.

First, I want to ask you whether you ever paid Mr. Fitzsimmons any money?

Mr. CRAVEN. Yes, sir; I did.

Mr. KENNEDY. Did Mr. Fitzsimmons in fact come to you, as the business agent of the teamsters, who was the business agent for your business, and say that he could get all the business in Detroit in this field for you if you would turn over 90 percent of your business to him in one phase of it?

Mr. CRAVEN. Yes, he did.

Mr. KENNEDY. He did come to you and say that?

Mr. CRAVEN. Yes.

Mr. KENNEDY. He denied that before the committee. You say he did come to you and say that?

Mr. CRAVEN. Yes.

Mr. KENNEDY. He was also asked about the fact that this 90-percent arrangement continued, but that then he became dissatisfied with the amount of money you were turning over to him.

Mr. CRAVEN. Yes, sir.

Mr. KENNEDY. Did he become dissatisfied with the amount of money you were turning over to him?

Mr. CRAVEN. Yes, he did.

Mr. KENNEDY. He asked to have a review made of your books to make sure he was getting his full 90 percent?

Mr. CRAVEN. Yes, he did.

Mr. KENNEDY. Is it true that he did ask to see your books?

Mr. CRAVEN. Yes. There were books that I had been keeping myself as part of the regular custom of business books. He was dissatisfied with them and also Mr. Hoffa looked at them at the same time.

Mr. KENNEDY. He wanted to see the books?

Mr. CRAVEN. They told me to bring the books to the teamsters' headquarters.

Mr. KENNEDY. You went to the teamsters' headquarters with the books?

Mr. CRAVEN. On Trumbull Avenue in Detroit.

Mr. KENNEDY. Did Mr. Fitzsimmons examine the books?

Mr. CRAVEN. Mr. Fitzsimmons and Mr. Hoffa.

Mr. KENNEDY. Mr. Hoffa was there, too?

Mr. CRAVEN. Yes.

Mr. KENNEDY. So he knew about this arrangement at that time?

Mr. CRAVEN. Yes.

Mr. KENNEDY. Did Mr. Fitzsimmons also arrange for Mr. Rosen to examine the books?

Mr. CRAVEN. He was dissatisfied with the books and then he said he would have his own man look at them and take care of them. His own man was a man by the name of Rosen.

Mr. KENNEDY. He said he was dissatisfied with his review of the books and he would have his own man, Rosen, review them?

Mr. CRAVEN. That is right. He said Rosen. He said Rosen would look at them the way he wanted them to be looked after.

Mr. KENNEDY. This was Mr. Fitzsimmons that said that to you?

Mr. CRAVEN. Yes, in the presence of Mr. Hoffa.

Mr. KENNEDY. Did Mr. Rosen then come and review your books?

Mr. CRAVEN. Yes. He called Mr. Rosen down to the union headquarters on Trumbull Avenue in Detroit and called me up there at the same time with the orders to bring the books with me. That was a meeting between Mr. Fitzsimmons, Mr. Rosen, and myself. Then Mr. Rosen took the books from me by Mr. Fitzsimmons' orders.

Mr. KENNEDY. And he kept the books from then on?

Mr. CRAVEN. Mr. Rosen kept the books and said he would fix them up the way he wanted, which he did.

Mr. KENNEDY. Did you have another argument subsequently with Mr. Fitzsimmons?

Mr. CRAVEN. Did I have what?

Mr. KENNEDY. Did you have more difficulty with Mr. Fitzsimmons?

Mr. CRAVEN. Yes, I did.

Mr. KENNEDY. Did he as a business agent of the teamsters call a strike on you?

Mr. CRAVEN. Yes. He called a strike on me on several of them. Strikes, I mean.

Mr. KENNEDY. Were you forced out of business?

Mr. CRAVEN. They practically run me out of business, or where I had to sell the business for practically what I could get.

Mr. KENNEDY. How much had you been making per year from that company?

Mr. CRAVEN. My average was around \$2,000 a month. It used to average me around \$24,000 to \$26,000 a year.

Mr. KENNEDY. You were forced by this strike led by Mr. Fitzsimmons out of business?

Mr. CRAVEN. That is right. My selling price I finally managed was \$7,000 for the business, and including the trucks.

Mr. KENNEDY. Who did you sell the company to?

Mr. CRAVEN. A man by the name of Simpson.

Mr. KENNEDY. Did you understand that Mrs. Hoffa in her maiden name formed a company and took over this same kind of business subsequently?

Mr. CRAVEN. You mean took over my business?

Mr. KENNEDY. Yes.

Mr. CRAVEN. No; I don't know.

Mr. KENNEDY. Do you know if they formed their own company?

Mr. CRAVEN. A man by the name of Staley was supposed to be the son of some business agent connected with that union. The business practically was all turned over to Staley.

Mr. KENNEDY. You went out of business completely?

Mr. CRAVEN. Yes, sir.

Mr. KENNEDY. How much money had you turned over to Mr. Fitzsimmons during this period of time?

Mr. CRAVEN. How much money did I pay him?

Mr. KENNEDY. Yes, approximately.

Mr. CRAVEN. Offhand as a rough guess I imagine I paid him around three to four to five thousand dollars or more.

Mr. KENNEDY. During what year?

Mr. CRAVEN. Yes, because he kept draining me. He kept coming to me and wanted \$300 or \$500. He wanted \$400.

Mr. KENNEDY. What year would that be?

Mr. CRAVEN. That was either 1946 or 1947.

Mr. KENNEDY. But you definitely gave Mr. Fitzsimmons some money?

Mr. CRAVEN. Yes, sir; I wrote checks for them. When he asked me for it, I wrote out the checks with his name, personal name. He refused the checks. He says, "I don't want that check with my name on it. Write it out cash, or write it out to my son. Put my son's name on it or put another friend of his on, Johnny Curran." But the money was turned over to Fitzsimmons. At the last Fitzsimmons came there, he wanted \$500. He demanded \$500. I didn't have it because he had me drained.

Senator MUNDT. What did he say the \$500 was for?

Mr. CRAVEN. Nothing, only he was—like blood money, in other words. For getting business, as he called it. He wasn't getting me business. I had to go out and solicit my own business among the theatrical trade.

Senator MUNDT. Is it your testimony that when you quit making these payments they then picketed you and put you out of business?

Mr. CRAVEN. Yes.

Senator MUNDT. You attribute the picketing to your failure to continue to make these payments? Is that what you are telling us?

Mr. CRAVEN. I don't know. I never did find out. I asked Fitzsimmons, what were they striking for. He says, "I don't know." I asked the employees, what were they striking for. They said they didn't know. That went on for about 3 weeks. All my trucks were tied up. I couldn't do business. The theaters were closed down, some of them, because they could not get motion picture film. I could not find out what they wanted. Finally Fitzsimmon told them to go ahead and go back to work, after he caused me a lot of extra money by the insurance companies. All this film was on the trucks and parked on the streets. The city authorities ordered that they be moved off the street because they were a fire hazard. I had to make arrangements with the fire department to park them in a vacant lot and pay for the firemen to watch them.

Senator MUNDT. You said these payments were made by check?

Mr. CRAVEN. Yes; they were.

Senator MUNDT. Have you kept the canceled checks? Do you have them?

Mr. CRAVEN. No. Mr. Rosen destroyed a lot of them checks.

Senator MUNDT. Do you remember what bank they were written on?

Mr. CRAVEN. He was keeping the books and he destroyed a lot of the canceled checks.

Senator MUNDT. Do you remember what bank they were written on? Do you know the name of the bank?

Mr. CRAVEN. The First National Bank on Six Mile James Cousins Highway.

Senator MUNDT. Have we tried to make microfilm copies of the checks?

Mr. CRAVEN. I did see some photostatic copies of the checks at the Hoffman committee.

Senator MUNDT. It would be very important testimony if we can corroborate it by checks, especially if they have been endorsed by Mr. Fitzsimmons or if they have been made out to the son of Mr. Fitzsimmons. If the checks are in evidence or available I think we should try to get them.

Mr. KENNEDY. We were able to get one check. We got 3 or 4 checks, but we were able to get just one that had Mr. Fitzsimmons' name on it. That was the \$500 check that Mr. Craven spoke of. It is endorsed on the back with Mr. Fitzsimmons' name. We asked Mr. Fitzsimmons about that check when he appeared here to testify, and he said he was just cashing the check for another man.

Senator MUNDT. I remember the testimony. Where did you get that one check? Doesn't the bank have microfilm?

Mr. KENNEDY. This came originally when Mr. Craven testified before the Hoffman committee. We got whatever records were available there. Some of those are missing. This is the one that we could get. He will continue to try to see what further information we can get on the matter. We had not expected to call Mr. Craven originally, but since Mr. Fitzsimmons' testimony we thought we should have Mr. Craven in here to testify on his part of the arrangement.

The CHAIRMAN. The matter will be pursued further. All right, Mr. Kennedy, any further questions?

Mr. KENNEDY. No; I believe that is all at this time.

The CHAIRMAN. What is this 90 percent of the business? Why was he to give 90 percent of the business? On the theory that Fitzsimmons would get him more business?

Mr. CRAVEN. I was forced to sign that under duress.

The CHAIRMAN. You were forced to sign the contract under duress to give 90 percent of your business?

Mr. CRAVEN. Mr. Fitzsimmons forced me to sign that contract.

The CHAIRMAN. How did he force you?

Mr. CRAVEN. Through verbal enforcement. There was not any physical enforcement. It was just threats, and so on, and telling me what he would do. He would run me completely out of business right then and there.

The CHAIRMAN. He threatened by strikes, and so forth, to run you out of business if you didn't sign the contract to give 90 percent of your business away?

Mr. CRAVEN. That is right.

The CHAIRMAN. After you gave 90 percent of the business away, he was not satisfied with that?

Mr. CRAVEN. Yes. The contract was not signed under Fitzsimmons' name. It was signed by his stooge, John Curran. His name appeared on our contract. It was ordered by Mr. Fitzsimmons' attorney, Mr. Mathieson. In Mr. Mathieson's office there was Mr. Mathieson, Fitzsimmons, Curran, and myself. The contract was wrote out and handed to Mr. Fitzsimmons for his proofreading. He didn't like it. He made some changes in it. He demanded that one of the changes was that 90 percent be put in there. Mr. Fitzsimmons demanded that then and there. I had quite a discussion and argument with him about that, but I lost out.

The CHAIRMAN. You lost out.

Mr. CRAVEN. Yes.

The CHAIRMAN. So you had to sign to give 90 percent of your business away.

Mr. CRAVEN. 90 percent was put in the contract.

The CHAIRMAN. Do you have a copy of that contract?

Mr. CRAVEN. Do I? No, I do not.

The CHAIRMAN. What became of it?

Mr. CRAVEN. That there just disappeared with them papers that Rosen had. He had a lot of papers.

The CHAIRMAN. Rosen took over all your papers and your contract disappeared?

Mr. CRAVEN. Yes, that is correct.

Senator MUNDT. I think our staff member is indicating he has a copy.

Mr. O'DONNELL. It was put in the record yesterday, Senator.

Senator MUNDT. Does the copy contain this 90 percent provision about which the witness is testifying?

Mr. O'DONNELL. Yes. It is signed by John Curran and Frank Craven and witnessed by Mr. Fitzsimmons.

Mr. KENNEDY. You appeared before the grand jury in Detroit in connection with this matter also; did you not?

Mr. CRAVEN. Yes. After I testified to the Hoffman committee, a matter of I guess maybe 3 weeks or a month afterward, I testified in front of the Wayne County grand jury, Detroit, Mich.

Mr. KENNEDY. Did you have any conversation with any teamster official at that time?

Mr. CRAVEN. Yes. While I was waiting in the hallway to be called into the jury room, I was sitting there and Mr. Rosen come walking through there. He shot me quite a sarcastic look and told me I better be careful what I had to say in there. I said all I could do is to answer what questions they ask me. He said, "We will find out." He said, "We will find out what you had to say." He said, "You better be careful." It was just a few minutes after that when the sheriff called me into the jury room. When I got through testifying I come out. Mr. Rosen was out of the hall. The hallway was clear. He was not in sight. I don't know where he was. After I came out of the Hoffman testimony there, a United States marshal helped me out of the building as Mr. Hoffa and Mr. Fitzsimmons met me in the hall after I got through testifying.

The CHAIRMAN. Mr. Hoffa and Mr. Fitzsimmons?

Mr. CRAVEN. Both of them.

Mr. KENNEDY. No. 1, you had this conversation with Mr. Rosen prior to the grand jury, and you now are telling about an incident that occurred after you testified before the Hoffman committee?

Mr. CRAVEN. After the Hoffman committee. After I testified in front of the Hoffman committee. As I came out of the room after I left the stand, Mr. Hoffa was right outside of the door in the hallway, which there was several other people in that hallway. Then Mr. Fitzsimmons was also standing there and several other union men, and Mr. Staley was another one. Mr. Hoffa started at me right away, and wanted to know why I told—well, he used a vulgar word—lies on the stand. I said, "I answered the truth and you know it." Fitzsimmons came up and he called me another vulgar name and a liar. It was getting so that I figured I better get out of there. The United States marshal was there and I asked him if he would not walk out of the building with me.

The CHAIRMAN. You called on the United States marshal to protect you?

Mr. CRAVEN. Yes. He was in the hallway outside. He took me over to the elevator and down to the first floor, and there I waited for a city policeman who took me over to a bus station. At that time I was living in Ann Arbor, Mich. That is 40 miles from Detroit. I got on the bus, but I left the bus before it got to Detroit and called up and had Frank come and get me, because I was afraid to ride in to where I lived. In fact, it had my wife and my daughter just in fear of even the house afterwards. Even after I testified in front of the grand jury, the Wayne County Grand Jury, after that testimony, I was told that some of them union goons were in Ann Arbor looking around. Whether they were looking for me, I don't know. That was just hearsay. That was just stuff that was told me.

Mr. KENNEDY. Thank you very much, Mr. Craven.

The CHAIRMAN. The committee will recess until 7:30 tonight and then we will resume tomorrow morning at 8 o'clock if we do not finish.

(At 5 p. m., a recess was taken until 7:30 p. m., the same day.)

EVENING SESSION

The CHAIRMAN. The committee will be in order.

(Members of the select committee at the convening of the session were: Senators McClellan and Mundt.)

The CHAIRMAN. Mr. Kennedy, call your next witness.

Mr. KENNEDY. Mr. Beveridge, please.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth so help you God?

Mr. BEVERIDGE. I do.

TESTIMONY OF B. B. BEVERIDGE

The CHAIRMAN. State your name and place of residence and your business or occupation.

Mr. BEVERIDGE. My name is B. B. Beveridge, B-e-v-e-r-i-d-g-e. My legal residence is Palm Beach County, Fla., and my business is transportation of automobiles from Flint, Mich., presently, and Lansing, Mich., to Chicago, Ill.

The CHAIRMAN. Thank you, sir. Do you waive the right to counsel while you are testifying?

Mr. BEVERIDGE. Yes, sir.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Mr. Beveridge, you were an official of Commercial Carriers at one time?

Mr. BEVERIDGE. I was.

Mr. KENNEDY. During what period of time?

Mr. BEVERIDGE. From 1933 until 1949.

Mr. KENNEDY. What position did you have with them?

Mr. BEVERIDGE. I was vice president and secretary.

Mr. KENNEDY. They have their contracts with the teamsters union, and you have contracts with the teamsters union?

Mr. BEVERIDGE. Yes, sir.

Mr. KENNEDY. What was Commercial Carriers?

Mr. BEVERIDGE. Commercial Carriers was a common carrier hauling automobiles out of Detroit, Toledo, Evansville, Ind., and Flint, Mich. Those were the origin points.

Mr. KENNEDY. What unit of the teamsters did you have contracts with?

Mr. BEVERIDGE. We had contracts with the unions in the boat line from the port of Huntersville, Ind., to Memphis, Tenn., Evansville, Ind., Cincinnati, at Flint, and Chicago, and I believe that was all.

Mr. KENNEDY. Did you have an overall contract?

Mr. BEVERIDGE. We had a national contract to cover the entire United States.

Mr. KENNEDY. With whom was that contract signed?

Mr. BEVERIDGE. The contract was signed by a national joint transportation committee.

Mr. KENNEDY. Who does the negotiating for them?

Mr. BEVERIDGE. The negotiations for the teamsters division would be James Hoffa, and for the employers; the labor division for the employees is Carney D. Matheson.

Mr. KENNEDY. Mr. Matheson does the negotiating for the employers, does he?

Mr. BEVERIDGE. Well, actually, there is a committee of 11 rotating carriers on each committee, and 11 for the different unions. That seems to change every year except for the two chairmen.

Mr. KENNEDY. Mr. Carney Matheson is the one primarily responsible for the negotiating?

Mr. BEVERIDGE. He is not primarily responsible, but he is the attorney for the National Automobile Transporters Association.

Mr. KENNEDY. Does he have any other position? Does he hold any other position with that association?

Mr. BEVERIDGE. No; I don't think so.

Mr. KENNEDY. He is the one who actively conducts the negotiations for the employers? I understand there is a committee, but the actual negotiations are conducted by him?

Mr. BEVERIDGE. Well, he is the chairman of it each year; yes, sir.

Mr. KENNEDY. And the negotiations are conducted with Mr. Hoffa?

Mr. BEVERIDGE. As I say, there is a group. They usually set up in a hotel in Detroit where they have a conference room for the 11 transporters' committee, and another for the 11 negotiators for the union.

and another room for any of the teamsters' drivers that want to attend or take part.

Mr. KENNEDY. Now, you were vice president of Commercial Carriers up to 1949, and did you have some difficulties with the local union up in Flint, Mich.?

Mr. BEVERIDGE. We did.

Mr. KENNEDY. What brought about those difficulties, briefly?

Mr. BEVERIDGE. After the war our company, Commercial Carriers, and Commercial Barge Lines had to resort to lessors; that is, people that would own the trucks.

We owned all of the trailers. Prior to the war the haulaway business or trucking business had been a very hazardous business. We were limited with finances and we were spread out with a pretty big operation for two small operators and in 1946, right after the war, we had to go out and borrow \$833,000 and in 1947 we had to borrow \$917,000, and in 1948, \$857,000, and in 1949 before I sold the company, seven-hundred-and-fifty-some-thousand dollars, for around \$3½ million.

Now, besides that financing job we financed barges to haul automobiles tow boats and all of that, and so our financing problem was the reason we had a lessor deal with these lessors in Flint, Mich.

Mr. KENNEDY. That was people that owned their own trucks; is that right?

Mr. BEVERIDGE. That is right.

Mr. KENNEDY. They would go to work for you?

Mr. BEVERIDGE. They would actually own the trucks and the truck was under our supervision. We would furnish the driver, if it wasn't a driver-owner that was a lessor, and we would furnish the drive, and he acted as an employee of Commercial Carriers.

Mr. KENNEDY. So you wanted to end that arrangement and furnish your own trucks and hire the drivers; is that right?

Mr. BEVERIDGE. Well, what I started to tell you about, Mr. Kennedy, was that in our overall operation in Gunnersville, Toledo, and Evansville, and Memphis and Flint and Detroit, where we had all of these trucks, we couldn't afford otherwise at the time, and we thought it was prudent to use lessors.

We did have company equipment at Cadillac from the very start. In 1947 we put some company trucks, 46 of them, up in Flint terminal along with some lessors. Immediately we had trouble because the lessors up there didn't want us to have company equipment. We were trying to build up a company fleet as fast as we could. These lessors became unmanageable, and they practically took over our business, and they sabotaged our trucks, and it got to a point where we might as well close up and be out of business.

Mr. KENNEDY. Mr. Beveridge, I am not trying to get, nor is the committee interested in why you wanted to change over your type of equipment. We will just assume that you had a good reason that you wanted to change it over.

Mr. BEVERIDGE. Yes, sir.

Mr. KENNEDY. But is it a fact that you did want to change it over, and that your employees, the people working for you and the teamsters local up in Flint, Mich., began with objecting to it.

Mr. BEVERIDGE. Yes, sir; that is correct.

Mr. KENNEDY. And they called a strike among themselves?

Mr. BEVERIDGE. That is true.

Mr. KENNEDY. And as I understand it, they had a vote among themselves and the vote was some 110 to 2 in favor of striking.

Mr. BEVERIDGE. I don't know what the vote was. I know that there was an illegal and unauthorized strike and they did go on strike. We had a no-strike clause in our contract and these fellows just took off.

Mr. KENNEDY. And it was over this point of your wanting to use or have your own equipment. Now, did you go up to Flint, Mich., to attempt to settle that strike?

Mr. BEVERIDGE. Many times.

Mr. KENNEDY. And you were unsuccessful?

Mr. BEVERIDGE. I mean I was up talking to them many times before the strike and trying to settle it. I talked to them.

Mr. KENNEDY. You were unsuccessful?

Mr. BEVERIDGE. Yes, sir.

Mr. KENNEDY. And then did you talk to Mr. James Hoffa?

Mr. BEVERIDGE. Not prior to the strike.

Mr. KENNEDY. Well, during the strike?

Mr. BEVERIDGE. Yes, sir.

Mr. KENNEDY. You had conversations with him?

Mr. BEVERIDGE. Yes, sir.

Mr. KENNEDY. And did he ultimately go up to Flint, Mich., to attempt to settle the strike?

Mr. BEVERIDGE. Yes, sir.

Mr. KENNEDY. And he spoke to the workers up there?

Mr. BEVERIDGE. Yes, sir.

Mr. KENNEDY. And subsequently, did most of your employees in Flint, Mich., go back to work?

Mr. BEVERIDGE. Yes, sir.

Mr. KENNEDY. Now, there were 8 or 9 that were so-called ringleaders who were not taken back to work, is that right?

Mr. BEVERIDGE. That is true.

Mr. KENNEDY. And there was also a problem not only about those 8 or 9 men but there was also a problem about the seniority of these people coming back to work for you.

Mr. BEVERIDGE. Yes, sir.

Mr. KENNEDY. They wanted their seniority as they had it before, and you wanted to represent them all as new employees, is that right?

Mr. BEVERIDGE. Yes, sir.

Mr. KENNEDY. During this period of time, you had a number of conversations with Mr. Hoffa?

Mr. BEVERIDGE. Not a number; I had one in Flint, in the union hall. Hoffa called my office in Detroit and asked that I come to Flint to the Beach Street office of local 322, and I went up there.

Hoffa was in a meeting with practically all of our whole yard. They were at the union hall, but there was approximately 20 of them in the office with Hoffa and J. C. Braden, the union business manager in Flint.

I walked in there.

Mr. KENNEDY. Mr. Hoffa took the trip up to Flint, and attempted to settle the strike, or of these people going back to work. He pro-

claimed that the strike was illegal, and that these men should not have gone on strike and they did go back to work.

But you, at that time, had these two remaining problems: No. 1, the seniority, and No. 2, the refusal to take back the 8 or 9 employees who were the ringleaders of the strike.

Mr. BEVERIDGE. Now just let me correct one thing. I don't know that Mr. Hoffa ever said the strike was illegal. The National Labor Relations Board said it was illegal, and the Michigan Mediation Board said it was illegal, and the Michigan unemployment compensation people said it was illegal.

I don't know that Hoffa ever said it was illegal. We said it was illegal and unauthorized and we were threatening suit of the local 322, the conference and the international in Indianapolis.

Mr. KENNEDY. At least, according to the reports that we have, and he might very well have been right, and again I am not arguing whether it was illegal or legal, but he went up and he spoke to the employees.

As I understand it, it was claimed to be a wildcat strike because they did not have Mr. Hoffa's permission to go on strike at that time.

Mr. BEVERIDGE. Well, they would not have to have Mr. Hoffa's permission. If you have a contract with anyone, whether it is a union contract or anyone else, you are supposed to live up to it. We had a contract with the international for a certain term of time and I don't remember whether it was a year or 2 years.

Mr. KENNEDY. Again, on that question, and on the question of the legality, I understand that there is still pending suits against you and against the union by some of these employees that went out at that time.

Mr. BEVERIDGE. Nine fellows are all suing for compensation and have, but as late as September 12, of 1957, the Genesee circuit court, Judge Gadola, has ruled that these fellows had no cause for action and it was an illegal strike and that they were not to have compensation.

Mr. KENNEDY. Again, with the suits of some of these men still pending, I am not again getting into that question. We have two disputes, No. 1, the seniority and No. 2, taking these 8 or 9 men back to work.

Mr. BEVERIDGE. Well, seniority is no dispute any more.

Mr. KENNEDY. At that time it was seniority that was a dispute.

Mr. BEVERIDGE. We gave them their seniority back a couple of years later.

Mr. KENNEDY. I am just talking about this time now, Mr. Beveridge.

Mr. BEVERIDGE. All right.

Mr. KENNEDY. Approximately, or during this period of time, or shortly afterward, did you have a conversation with Mr. Bert Brennan about setting up a company, about his being interested in setting up a company?

Mr. BEVERIDGE. Not about setting up a company. Bert Brennan called me sometime in early April of 1949. At that time, I was president of a small country bank in Cheboygan, Mich., named the Cheboygan State Savings Bank.

We were taking in considerable amounts of lessor paper. We would take earning assignments on this paper and make payments to the banks.

Mr. KENNEDY. Mr. Beveridge, could you just answer my questions?

Mr. BEVERIDGE. Yes, sir.

Mr. KENNEDY. Didn't he come to speak to you about setting up or having a company or establishing a company?

Mr. BEVERIDGE. No, he came to me for a loan on 10 or 12 Federal trucks. That is what he came for.

Mr. KENNEDY. Who had the trucks at that time?

Mr. BEVERIDGE. I don't know.

Mr. KENNEDY. Well, let us examine what the facts are. The fact is that the attorney for Commercial Carriers went down to Tennessee and set up a company and the stock was issued to him, Mr. Wrape.

He then transferred the stock to Mr. Brennan or his wife, and to Mr. Hoffa's wife in their maiden names.

Now, certainly that had nothing to do with you being an officer of some bank.

Mr. BEVERIDGE. Well, you asked me if Brennan came and asked me to set up a company and he never did.

Mr. KENNEDY. The arrangements were made subsequently for the attorney for Commercial Carriers to set up this company for him, were they not?

Mr. BEVERIDGE. I did not make any arrangements.

Mr. KENNEDY. How did the attorney for Commercial Carriers, or how did he happen to go down to Tennessee to set this company up?

Mr. BEVERIDGE. Well, in the first place, James W. Wrape happens to be one of our attorneys and, in fact, at that time he was general counsel and his home is in Memphis, Tenn., and he has an office there and in Washington.

Now, James Wrape testified—and that is all I know about it—in the hearings in 1953, and he told me before that that he did not remember who did that, asked him to set it up. I did not ask him to set it up. Now, someone in Commercial Carriers evidently did, and I am sure they did.

Mr. KENNEDY. That is No. 1, and then the accountant for Commercial Carriers kept the books for this new company that was set up, isn't that true?

Mr. BEVERIDGE. That is true.

Mr. KENNEDY. And the books were kept in the office of Commercial Carriers?

Mr. BEVERIDGE. Yes, sir.

Mr. KENNEDY. And the 10 trucks that Test Fleet originally had were 10 trucks that had been first coming to Commercial Carriers.

Mr. BEVERIDGE. No, they actually hadn't. I know that is the testimony that Beidler testified in the hearings in 1953. Since that I have investigated it, and they did not come from there. They came 3 from a Dodge dealer, Vic George Co. in Flint, and 3 from Lippencott Motor Sales, a GMC dealer, and 3 from Abelay Chevrolet.

Mr. KENNEDY. Was not the transaction for the purchase of those trucks arranged by the officers or you, of Commercial Carriers?

Mr. BEVERIDGE. I don't think that they were in this case. Many times they were for lessors but I thought the other day when I was

talking to you in Detroit, I actually thought that they were taken out of Commercial's pool of 25 or 50 trucks that they kept on hand all of the time for these lessors.

Now, since that time I have found that these trucks actually did come from these dealers.

I don't know that it is important or not, but they did this for all lessors.

MR. KENNEDY. Now, the Commercial Carriers then made an arrangement with Test Fleet, this company, to lease their trucks, did they not?

MR. BEVERIDGE. They made a lessor contract, a standard lessor contract, the same as thousands of trucks all over the United States, the same as 379 other trucks of people that had 3 trucks or less, and the same as 190 of the people that had a fleet of 3 or more. In other words, 569 of our trucks were actually owned by lessors with the same deal as Test Fleet.

MR. KENNEDY. But the determination as to whether there would be a profit or a loss for Test Fleet, or for any of these companies, is made by the lessor, is it not?

MR. BEVERIDGE. I don't know what you mean by "determination of a profit or loss."

MR. KENNEDY. It is the lessor's decision as to how many of the trucks of Test Fleet he will lease, is that right? He can make the decision?

MR. BEVERIDGE. He could have 1 or he could have 20.

MR. KENNEDY. The lessor is the one who makes the determination as to how many of the trucks of the various lessees will be used, isn't that true?

MR. BEVERIDGE. Yes, sir.

MR. KENNEDY. So when Mr. Hoffa and Mr. Brennan over this period of approximately 6 years make some \$125,000, that decision as to the making of that profit is determined by Commercial Carriers, is it not?

MR. BEVERIDGE. Well, not exactly. In the first place all of these trucks have the same operating conditions, and circumstances, and deal, and they can make money and it is a business chance, and a chance of a business profit or a loss. They all have the same deal. There are different drivers, but all pick their same loads, and this man had no special runs and he went to different terminals, and I don't think that that statement is true. I don't think it is a fair statement.

MR. KENNEDY. Well, Commercial Carriers are the ones that make the decisions as to which one of the lessees are going to get which business, isn't that right?

MR. BEVERIDGE. No; Commercial Carriers was hiring trucks from 1946 through 1949, and even do it today, to work in different terminals. They were out looking for business.

MR. KENNEDY. Your company made the decision that they would take and carry Cadillacs, for instance, that this company would carry Cadillacs?

MR. BEVERIDGE. Well, I didn't make that decision.

MR. KENNEDY. Your company made that decision?

MR. BEVERIDGE. It wasn't my company. I will tell you, and I told you in Detroit, I thought I explained it clearly, that this Test Fleet

deal went to work some time in the spring of 1949, and we sold that business in the summer or fall of 1949. I had nothing to do with the earnings or where those trucks were or what they did after 1949. When you told me that Test Fleet made \$120,000, that is the first I knew about it. I had nothing to do with Test Fleet.

Mr. KENNEDY. I understood you did not have anything to do with that once you left the company, but certainly once again the determination as to whether they are going to make money or not going to make money, whether Mr. Hoffa and Mr. Brennan were going to make money or not going to make money, is made by the employer, and was made by you.

Mr. BEVERIDGE. These trucks worked in Flint, and they worked in Toledo, and they worked in other points.

Mr. KENNEDY. And they always carried Cadillacs.

Mr. BEVERIDGE. They did not always carry Cadillacs.

Mr. KENNEDY. According to the records that we have examined, and according to Mr. Biedler's testimony before the Hoffman committee, they always carried Cadillacs, and nobody should know better than he.

Mr. BEVERIDGE. I am under oath, and I know they did not carry just Cadillacs.

Mr. KENNEDY. When did they not carry Cadillacs?

Mr. BEVERIDGE. They had a few ones up in Flint, and they were down at Toledo for a while, and they were at Evansville.

Mr. KENNEDY. Now, he kept the books, Mr. Beveridge.

Mr. BEVERIDGE. Well, I am not quarreling with Biedler, but I just say that Biedler's testimony in this case happens to be wrong.

Mr. KENNEDY. How many months didn't they carry Cadillacs, then, and was that the first 3 or 4 months?

Mr. BEVERIDGE. Well——

Mr. KENNEDY. You know. You said you knew that.

Mr. BEVERIDGE. I don't remember whether it was 3 or 4 months. I would say probably it was a year and a half.

Mr. KENNEDY. During what period of time?

Mr. BEVERIDGE. The first year and a half.

Mr. KENNEDY. And then they started carrying Cadillacs?

Mr. BEVERIDGE. Then I understand they were assigned to Cadillac, but I had left the company after that time.

Mr. KENNEDY. They were not carrying Cadillacs during your period, while you were there?

Mr. BEVERIDGE. No, sir.

Mr. KENNEDY. But certainly you could make the decision as the decision was made after you left, that they could carry Cadillacs, and the decision could be made as to what their routes were going to be and what kind of cars.

Mr. BEVERIDGE. Anyone at Commercial Carriers, I imagine, Commercial Carriers could have done anything they wanted and make any decision, and as I say I did not have anything to do with them going to Cadillac.

Mr. KENNEDY. That is the point, that here it was the two leading officials of a labor union, with whom you have your chief contracts, and it is up to you to make the decision, or up to your company to make the decision as to what kind of cars they were going to carry, and their routes and how often they were going to operate, and there-

fore whether they were or were not going to make a profit; isn't that correct?

Mr. BEVERIDGE. Well, they all made a profit, all 569 of them made a profit.

Mr. KENNEDY. The determination of the amount of profit and the continuation of the profit is certainly being made by you and your company; isn't that correct?

Mr. BEVERIDGE. I don't get that last part, just what you said last; I didn't get that.

Mr. KENNEDY. In the first place, the contract could be canceled by you.

Mr. BEVERIDGE. It could be canceled by either party on 30 days' notice.

Mr. KENNEDY. On 30 days' notice you could cancel the contract.

Mr. BEVERIDGE. That is right.

Mr. KENNEDY. The determination as to the kind of cars that would be carried and therefore the profits that would accrue are made by Commercial Carriers; is it not?

Mr. BEVERIDGE. Yes, sir; these lessors operate under the company's supervision entirely, and they have nothing to say where they go or where they are needed, and wherever the company puts them, that is where they have to go.

Mr. KENNEDY. Well, the determination as to whether they will be successful in business or not is made by your company.

Mr. BEVERIDGE. That is right.

Mr. KENNEDY. Did you see anything that resembled to you a conflict of interest of going into that kind of business with two labor-union leaders, with whom you had to negotiate contracts for your company?

Mr. BEVERIDGE. At that time I didn't think there was a conflict of interest.

Mr. KENNEDY. You did not see anything improper about that?

Mr. BEVERIDGE. I certainly did not or I would not have had a lease with them.

Mr. KENNEDY. Looking back on it now, do you see there was anything?

Mr. BEVERIDGE. In the first place, I never talked to Hoffa about this thing, and this is all with Brennan and Bert Brennan had nothing to do with any labor union that we ever had anything to do with. I never had anything to do with the man in negotiations or anything else. Now, he came to me in the first place for financing at the bank. Out of that conversation I turned down his loan for these Federal trucks and out of that conversation the deal came for him to have some trucks as a lessor. Now, I can't tell you, and I just can't tell you whether Brennan brought up about going to work as a lessor, or whether I suggested it or not. But there certainly was no thought of a conflict, or they would get any special treatment, or anything out of it that 569 others did not.

Mr. KENNEDY. You don't mean to tell us that you never knew Mr. Hoffa was in the company?

Mr. BEVERIDGE. I did not know it at first.

Mr. KENNEDY. You knew it then?

Mr. BEVERIDGE. I did not know it then.

Mr. KENNEDY. You knew it subsequently?

Mr. BEVERIDGE. I knew it subsequently.

Mr. KENNEDY. And your attorney knew it, and your accountant knew it.

Mr. BEVERIDGE. I did not know it until several weeks afterward, who Alice Johnson and Josephine Poszywak, who they were.

Mr. KENNEDY. Did you see anything there, once you found out that Mr. Hoffa was interested in this company, and that you had the determination to make as to whether the company would make a profit, did you see then any conflict of interest?

Mr. BEVERIDGE. No; I certainly did not.

Mr. KENNEDY. Did you not see anything improper?

Mr. BEVERIDGE. No, because Hoffa was in no position to help our company or to hurt us. We were in no position to get any benefits at all.

Mr. KENNEDY. You don't think Mr. Hoffa can help or assist your company?

Mr. BEVERIDGE. No, sir.

Mr. KENNEDY. You don't think so?

Mr. BEVERIDGE. No, sir.

Mr. KENNEDY. He couldn't help the company?

Mr. BEVERIDGE. He could not put us out of business if he wanted to.

Mr. KENNEDY. He could not help or hurt a trucking company?

Mr. BEVERIDGE. No. I said he couldn't help or hurt us. We have a contract the same as any other haulway outfit in the United States, the same terms and everything. We had no reason to give Hoffa any breaks.

Mr. KENNEDY. What was his position as far as the employees with whom you had the difficulty in Flint? What was his position as far as your reemploying the employees?

Mr. BEVERIDGE. What was his position? You mean as a labor union man?

Mr. KENNEDY. Yes.

Mr. BEVERIDGE. He was a representative of the international from Indianapolis.

Mr. KENNEDY. Was he trying to get these people back to seniority?

Mr. BEVERIDGE. Yes; he tried to get them back.

Mr. KENNEDY. He was always trying to get back the seniority?

Mr. BEVERIDGE. I don't say always. When this thing was discussed. It was in the office of the National Labor Relations Board in Detroit, and Hoffa insisted that they had to have their seniority back and demanded it.

Mr. KENNEDY. When was that?

Mr. BEVERIDGE. Prior to December 27, 2 or 3 days.

Mr. KENNEDY. Of what year?

Mr. BEVERIDGE. 1948.

Mr. KENNEDY. Right from that time he was demanding that these people get their seniority back?

Mr. BEVERIDGE. When he was trying to settle the strike.

Mr. KENNEDY. In 1948.

Mr. BEVERIDGE. When these fellows were trying to settle the strike.

Mr. KENNEDY. Was he trying to get these 8 or 9 men their jobs back, the ringleaders?

Mr. BEVERIDGE. He said we had to take them all back. I said I wouldn't take them back.

Mr. KENNEDY. He was trying to get them back?

Mr. BEVERIDGE. He was trying to get everybody back.

Mr. KENNEDY. He was interested in having these people get their seniority back?

Mr. BEVERIDGE. Yes, sir.

Mr. KENNEDY. From 1948 on?

Mr. BEVERIDGE. Not from 1948 on.

Mr. KENNEDY. From January 1949?

Mr. BEVERIDGE. Hoffa——

Mr. KENNEDY. You just said at the end of 1948, I believe.

Mr. BEVERIDGE. Yes, sir.

Mr. KENNEDY. From January 1949 on, he was interested in getting their seniority back for them.

Mr. BEVERIDGE. I didn't have anything to do with him. J. C. Braden, a businessman in Flint, did.

Mr. KENNEDY. You said he was interested and active in trying to get their seniority back.

Mr. BEVERIDGE. In the National Labor Relations Board in Detroit prior to the settlement of the strike. I never had anything to do with Hoffa since that date.

Mr. KENNEDY. Would you identify this?

The CHAIRMAN. The witness will examine the document before him and state whether he identifies it.

Mr. BEVERIDGE. Yes, sir.

The CHAIRMAN. What is it?

Mr. BEVERIDGE. I recognize my two signatures. I have not read what it says. Let me read it.

The CHAIRMAN. It is a letter, is it not?

Mr. BEVERIDGE. Yes, sir.

The CHAIRMAN. A letter from whom to whom?

Mr. BEVERIDGE. It is to Carney Matheson of Matheson, Dixon & Brady of North Flint, Mich., and signed by me as vice president and general manager.

The CHAIRMAN. What is the date of it?

Mr. BEVERIDGE. September 8, 1949.

The CHAIRMAN. The letter will be made exhibit No. 26.

(The letter referred to was marked as "Exhibit No. 26" for reference and will be found in the appendix on pp. 5754-5755.)

Mr. KENNEDY. This is:

DEAR CARNEY: Tunk Brayton has insisted on a meeting with me next Tuesday to discuss the Flint situation.

That is what we have been discussing.

Mr. BEVERIDGE. Yes.

Mr. KENNEDY (reading):

We have had considerable rumors as to what is coming and I think it is absolutely wrong for me to attend, but have you go up representing the company.

Before you get into the meeting Spencer will be able to brief you on all of the things that they probably will bring up. The Aarrasmith and Turner rehiring is going to be demanded, but we have valid reasons for not rehiring these two fellows and we positively refuse to do so unless we should lose a decision with the conference grievance committee.

We have been informed by George Dixon's New York attorney friend that he is starting suit for the drivers that we failed to hire back for different reasons, basing his suit on prejudice. Jim Hoffa has told me to forget about

it and not to be at all concerned, but it might be well for you to consider the idea of having Tunk or his committee bring this as a grievance before the conference. We have a strong enough case to win our point before a fair committee and their decision certainly should have some bearing on any proposed lawsuit.

There will be some questions as to back pay for some dockmen up until last December, but Tunk is now trying to make it back to 1947, which we are not going to go for.

You should instruct Spencer regarding payment of vacation pay. Actually, it appears we do not have a contract and it is Messrs. Hoffa and Brennan's instructions to treat all employees as new employees hired in after the strike, which would mean payment on a 2-percent basis, but Tunk has informed some of these drivers that they already have their seniority back and some of them are expecting 4 percent.

So your statement and testimony that Mr. Hoffa was interested in the employees, that he was interested in these two points, No. 1, that the employees be hired back with seniority, and No. 2, that the ring-leaders be hired back is absolutely incorrect as borne out by a contemporaneous letter that you wrote.

Mr. BEVERIDGE. No, that is not right. Prior to the strike Hoffa was fighting for these fellows to go back. These 9 or 10 or 11 men that were involved were giving Hoffa a fight in the settlement of this strike and when the thing was settled in Detroit, Hoffa said then we did not have to take them back and as far as he was concerned he had given up trying. But prior to the strike in the settling of the strike in the National Labor Relations Board he certainly did try to get them back.

Mr. KENNEDY. What were the dates of that?

Mr. BEVERIDGE. It would be prior to December 27, 1948, and I would say 3 or 4 days before.

Mr. KENNEDY. You say after that he ended his interest in getting these people back. I asked you a clear question, Mr. Beveridge, as to whether Mr. Hoffa was interested.

Mr. BEVERIDGE. He was interested in trying to settle the strike.

Mr. KENNEDY. I asked you if he was interested in trying to get these people reemployed with their seniority. You said "Yes."

Mr. BEVERIDGE. He was up to—

Mr. KENNEDY. You did not say up to any time.

Mr. BEVERIDGE. I had nothing to do with Jim Hoffa since that strike.

Mr. KENNEDY. You had something to do with him in 1949. You wrote this letter. Not only that, you said Mr. Brennan didn't have anything to do.

Mr. BEVERIDGE. That man happens to be my attorney. I was writing to him.

Mr. KENNEDY. You were telling him what the situation was. No. 2, you told us that Mr. Brennan didn't have anything to do with the matter. When you had these discussions with him about setting up Test Fleet and there you mentioned what Mr. Brennan's advice to you was.

Mr. BEVERIDGE. I don't remember anything about Brennan ever being at that meeting.

Mr. KENNEDY. There it is in the letter.

Mr. BEVERIDGE. It could be. I could be wrong as far as Brennan being at the National Labor Relations Board meeting. That was the only conversation I have had with Hoffa.

Mr. KENNEDY. Your testimony now is that Mr. Hoffa was not interested after 1948 in having the Flint employees reinstated with their seniority.

Mr. BEVERIDGE. Hoffa didn't have anything to do as far as I know with the Flint operations after that strike.

Mr. KENNEDY. You quoted him here. I want to know what his position was on it. You state now that he was not interested in having these employees taken back with their seniority after 1948.

Mr. BEVERIDGE. When I say he had no interest, I mean he did not ever talk to me or put the pressure on me or call me or ask me to put them on after the National Labor Relations Board meeting.

Mr. KENNEDY. Also he was not interested in having these 8 to 11 employees who had led the strike, to have you rehire them.

Mr. BEVERIDGE. When you use the word "interested," I mean he didn't put any pressure on us. That is what I mean.

Mr. KENNEDY. That is of great significance to the committee and to what we are looking into here. It was during the same period of time that Test Fleet was set up for Mr. Hoffa and Mr. Brennan. Here you were involved and your company was involved in setting up a lucrative business for Mr. Hoffa, and at the same time he was involved in a situation up in Flint involving members of the teamsters union. There was an obvious conflict of interest not only for him, but also for you.

Mr. BEVERIDGE. Mr. Kennedy, the hiring of lessors anywhere in our organization, the strike in Flint and the subsequent hiring of Test Fleet as lessors had nothing to do any one with another.

Mr. KENNEDY. Everybody will have to reach their own conclusion on that.

The CHAIRMAN. Let me see about this. When was this Test Fleet Corp. set up for Brennan's and Hoffa's wives?

Mr. KENNEDY. It was set up on April 13, 1949, just 3 or 4 months before this letter was written.

The CHAIRMAN. April 13, 1949. When was it Mr. Hoffa was interested in having these folks taken back with their seniority?

Mr. BEVERIDGE. In December, just before Christmas 1948 when they were out on strike.

The CHAIRMAN. 1948 Hoffa was insisting on these people being taken back with seniority.

Mr. BEVERIDGE. He was trying to settle the strike.

The CHAIRMAN. Trying to settle a strike and insisting that they be taken back with seniority in December 1948.

Mr. BEVERIDGE. Yes, sir.

The CHAIRMAN. April 13, 1949, Test Fleet Corp. was set up.

Mr. BEVERIDGE. Yes, sir.

The CHAIRMAN. That is for Brennan's wife and Hoffa's wife, as the owners of it.

Mr. BEVERIDGE. Yes, sir.

The CHAIRMAN. And a contract with your company.

Mr. BEVERIDGE. Yes, sir.

The CHAIRMAN. We see here in September, according to you, September 8, 1949, Jim Hoffa has told me to forget about it and not to be at all concerned about taking them back with their seniority.

Mr. BEVERIDGE. Yes, sir.

The CHAIRMAN. Those are the three instances.

Mr. BEVERIDGE. Yes, sir.

The CHAIRMAN. He was contending for it in December of 1948 when he got his fleet company set up in his wife's name?

Mr. BEVERIDGE. No, no, no, no.

The CHAIRMAN. State the facts.

Mr. BEVERIDGE. He was fighting for these fellows back to settle the strike.

The CHAIRMAN. Just a minute. In December 1948, he was contending that these men should be taken back with seniority, is that right?

Mr. BEVERIDGE. To settle the strike.

The CHAIRMAN. I don't care whether it was to settle the strike or fly to the moon. He was contending for them at that time to be taken back with seniority. Is that correct?

Mr. BEVERIDGE. That is right.

The CHAIRMAN. That is your testimony.

Mr. BEVERIDGE. Yes, sir.

The CHAIRMAN. The fleet company was set up on April 13, 1949, and got a contract with your company.

Mr. BEVERIDGE. When is that letter, Senator?

The CHAIRMAN. The date is September 8, 1949.

Mr. BEVERIDGE. September 8, 1949.

The CHAIRMAN. Yes, sir.

Mr. BEVERIDGE. I think, or I am sure that that Christmas of 1949 they had their seniority back.

The CHAIRMAN. I don't doubt it.

Mr. BEVERIDGE. They got their 4 percent vacation pay.

The CHAIRMAN. Let us get three facts straight.

Mr. BEVERIDGE. All right.

The CHAIRMAN. In 1948, according to you, Hoffa in the process of trying to settle a strike was contending that 8 or 9 men, the leaders, should be taken back with seniority. In fact, all of them be taken back with seniority.

Mr. BEVERIDGE. That is right.

The CHAIRMAN. After this Test Fleet was organized April 13, 1949, they got this contract with your company, the wives of Hoffa and Brennan. Subsequently, September 8, 1949, you are writing a letter to your attorney saying that "Jim Hoffa has told me forget about it and not to be at all concerned."

Mr. BEVERIDGE. That is what he told me.

The CHAIRMAN. All right. The men evidently were still contending for it.

Mr. BEVERIDGE. No. Well, yes, they were, too.

The CHAIRMAN. That is right. So after Hoffa got this contract in his wife's name and Brennan got it in his wife's name, something happened that thereafter he was not contending for it and he told you to forget about it.

Mr. BEVERIDGE. The contract had nothing to do with it.

The CHAIRMAN. That is your statement. Those are the three incidents.

Mr. BEVERIDGE. They are not related in any way.

The CHAIRMAN. That is your statement, that they are not related.

Mr. BEVERIDGE. That is true.

The CHAIRMAN. But just hearing this testimony as you have presented it, wouldn't you think that the committee might see some significance in it?

Mr. BEVERIDGE. Well——

The CHAIRMAN. You admit that, don't you?

Mr. BEVERIDGE. No, I don't admit that. I say there was nothing wrong, nothing morally wrong.

The CHAIRMAN. I did not say anything about wrong.

Mr. BEVERIDGE. There was nothing illegal. These people had the same deal as 569 others.

The CHAIRMAN. I have not said anything about that. It is a significant coincidence of fact that should be inquired into, is it not?

Mr. BEVERIDGE. It is a coincidence.

The CHAIRMAN. A coincidence.

Mr. BEVERIDGE. A coincidence, yes, sir.

The CHAIRMAN. Proceed, Mr. Kennedy.

Mr. KENNEDY. That is all, Mr. Chairman.

The CHAIRMAN. Are there any other questions? If not, stand aside.

Mr. KENNEDY. We have one short witness in connection with the company Mr. Hoffa was interested in. I would like to call Mr. Bellino to testify on the examination of the books of Test Fleet. No, examination of the books of the National Equipment Co.

The CHAIRMAN. All right, Mr. Bellino, proceed.

TESTIMONY OF CARMINE BELLINO—Resumed

Mr. KENNEDY. Mr. Hoffa and Mr. Brennan had the J. & H. Sales Co.?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. And that was a trucking company?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. And that became the National Equipment Co., is that right?

Mr. BELLINO. That is correct.

Mr. KENNEDY. And that was also a trucking company?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. It was in the maiden names of Mr. Hoffa and Mr. Brennan's wives; is that correct?

Mr. BELLINO. That is right.

Mr. KENNEDY. National Equipment Co. leased its equipment to Mr. William Bridge.

Mr. BELLINO. That is right.

Mr. KENNEDY. And Mr. Carney Matheson?

Mr. BELLINO. Mr. William O. Bridge is one of the biggest truckers in Michigan at the time?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. He operated a major trucking company?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Mr. Carney Matheson was the chairman of the negotiating committee for all the truckers; is that right?

Mr. BELLINO. That is correct.

Mr. KENNEDY. And was a trucker in his own right?

Mr. BELLINO. That is right.

Mr. KENNEDY. Mr. Brennan and Mr. Hoffa had his company and they leased their equipment to Mr. Bridge and to Mr. Matheson?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Subsequently, Mr. Brennan and Mr. Hoffa sold National Equipment Co. to Mr. Bridge; did they not?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. They sold that company to Mr. Bridge for \$10,000?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Is that correct?

Mr. BELLINO. That is correct.

Mr. KENNEDY. Would you tell the committee from an examination of the books of Test Fleet, according to that examination of the books, what the value of National Equipment Co. was at the time that Mr. Hoffa and Mr. Brennan sold that company to Mr. Bridge?

Mr. BELLINO. According to the records of the National Equipment Co., that is, their own general ledger and their own entries in their own books, there was a deficit at the time that the company was sold of \$6,013.53.

In other words, it showed there was a deficit of a total of \$7,013.53. The capital stock was \$1,000. So the net deficit was \$6,013.53.

Mr. KENNEDY. And that was at the time that Mr. Bridge, a trucker in Michigan, paid \$10,000 for this company; is that right?

Mr. BELLINO. It is according to these records; yes, sir.

Mr. KENNEDY. According to those records?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Thank you.

Mr. Chairman, we are now going into a different matter in connection with the local union 985 in Detroit, Mich., the union that is now operated by Mr. William Buffalino and was formerly operated by Jimmy James.

It might be remembered about that local that originally, or for a period of several years, Mr. Hoffa's wife was on the payroll of this local in her maiden name, and Mr. Brennan's wife was on the payroll of that local in her maiden name.

I would like to have a staff member, Mr. Kaplan, explain to the committee a little bit about how a jukebox union operates and what its relationship is to the jukebox industry.

Mr. Kaplan.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee will be the truth, the whole truth, and nothing but the truth. so help you, God?

Mr. KAPLAN. I do.

TESTIMONY OF ARTHUR KAPLAN

The CHAIRMAN. What is your name?

Mr. KAPLAN. Arthur Kaplan, sir.

The CHAIRMAN. Where is your residence?

Mr. KAPLAN. Portland, Oreg.

The CHAIRMAN. What is your present occupation or employment?

Mr. KAPLAN. I am an assistant counsel to this committee.

The CHAIRMAN. How long have you been such?

Mr. KAPLAN. Since June, sir.

The CHAIRMAN. All right, proceed.

Mr. KAPLAN. What I would like to do first is explain how the general perspective of the industry is so we can see how a jukebox union works generally. This is not specifically with relation to 985, but with relation to the way most of them seem to operate as they have been investigated.

There are 5 manufacturers of jukeboxes or coin-operated phonographs, 4 of whom are preminent. That includes Wurlitzer, Seeburg, Rockola, AMI, possibly Evans.

The CHAIRMAN. You mean there are 4 major ones and 1 smaller?

Mr. KAPLAN. Yes, sir. That about represents the entire coin-machine phonograph industry.

Mr. KENNEDY. Mr. Kaplan, before you go any further, you made an investigation of this matter for some period of time prior to the time you came on this committee?

Mr. KAPLAN. Yes.

Mr. KENNEDY. You spent how many years investigating jukebox locals?

Mr. KAPLAN. I made an investigation for the Federal Trade Commission in 1953. I also investigated the Portland operation for the attorney general of Oregon last year.

Mr. KENNEDY. In 1953 you spent time for the Federal Trade Commission looking into the employer groups and the unions, is that right?

Mr. KAPLAN. The manufacturers and distributors in each of the major cities of the country, and they usually have only one distributor who is a franchised distributor or with an exclusive franchise.

This distributor sells the machines to persons who are known as jukebox operators. Generally speaking, there is a passage of title from here to there.

The CHAIRMAN. What is that?

Mr. KAPLAN. There is a passage of ownership title.

Mr. KENNEDY. Could you mark what each one of those people are called?

Mr. KAPLAN. These are operators. These are the distributors and these are the manufacturers. At this level it changes, because these people put the machines out into what they call locations which would be the bar, the restaurant, the place you and I normally see them on a rental basis.

They usually have an agreement orally, sometimes written with the owner of that bar or tavern or grill that they will supply the proceeds that are taken in by the jukebox. Sometimes it is a 50-50 split. Sometimes there is a guaranty to the operator.

These operators will buy from any of the distributors from any of the different manufacturers. Periodically, one manufacturer will have a preminent machine for that year.

Mr. KENNEDY. Each manufacturer would have a different distributor; is that right?

Mr. KAPLAN. Yes.

Mr. KENNEDY. You have them all going to the same one. It might be confusing.

Mr. KAPLAN. I only took that as an example.

Mr. KENNEDY. Each one has his own distributor?

Mr. KAPLAN. Yes, who is the exclusive distributor for that area.

On occasion—well, the interest of the operators is in seeing that there is not continued pressure by the locations or location owners to bring in new machines all the time, because the machines are put out the way they are in the car industry.

If they do this, they have to keep reinvesting in new models. In an effort to do this, frequently the operator will slow down on his purchase of new machines from the manufacturer's distributor. In an effort to force the operators to buy new machines, the distributor will sometimes short circuit the operator and not sell directly to him, but go out and sell directly to the location or go out and rent directly to the location by setting up a subsidiary or dummy operation such as the operators themselves run.

Usually when enough of these machines get put out, the operators will start to buy new machines, and the distributor will stop this.

One of the prime protections against this kind of a pressure by a distributor has been the use of union powers to picket a location where such a machine is being used if the union is controlled by the operators or the employers. This has happened in several cities.

Senator MUNDT. Are the operators union men?

Mr. KAPLAN. Well, yes. The strange thing about these unions is that they usually are started by operators and that they are usually, in most instances, the majority of its membership.

In Detroit we have a prime example, because the union or the coin-machine workers union that commenced at the end of 1944 and upon which Mr. Hoffa's and Mr. Brennan's wives were, was in effect actually started by the operators or the so-called employers of workers in the industry.

This has been established almost beyond a doubt.

Mr. KENNEDY. You said that the use of the union could be to help the operators stop the distributor from setting up a dummy; is that right?

Mr. KAPLAN. That is right.

Mr. KENNEDY. Isn't there a second, even more important use that the operators can make of the union?

Mr. KAPLAN. Yes. The operators can do this: In the term they frequently use, they "stabilize" their industry by using the union to keep each other from infringing on their fellow operators' routes or on their own routes.

In other words, they can stratify or rigidify any competition or business. Once an operator has a certain number of locations that belong to him, they are able if they enter into what they call an ethical conduct of their business, not compete with each other and keep the location who might want to get a better machine from somebody else or get a better split of the profits from doing so.

They do this by sending a list of all their customers which they call location lists to the union. One of their rules is that whenever any fellow operator or any fellow member of their association wishes to put a machine into another location, he will have to clear with the union, and he does this by calling up the union, and the union will say, "Yes, you can put one in there, because it is not a member of the group," or "No, you cannot, because this man is in our union and association."

They also use this same scheme to keep people from coming in or from new competition from developing. If somebody else wants to go into the business, that is.

The way this is enforced is by having the union picket the location which then gets the new machine on the theory that the new machine is going to be serviced by a nonunion operator.

Therefore, the union has a proprietary interest in seeing that the bar does not get its beer or its supplies. If an operator continues to do this, he will be read out of the association and become what is known as an outlaw and thereupon, the union, if he has been previously a member, gives his list of locations to other members of the industry, the other operators and saying "Go ahead and see if you cannot solicit his spots."

They call this jumping a location. Whereas, the location was protected before by the threat of a possible picketing of the union, now these locations are declared open; that is, the locations owned by the outlaw operator and these men can go in and attempt to solicit the business.

If the so-called outlaw operator attempts to retaliate competitively and go into the locations of the still persona grata operators, as soon as he does succeed in putting a machine in such a location, the union will put a picket line around that place because it is not serviced by a union operator.

The CHAIRMAN. The effect of the picket line is not so much from stopping one from playing a machine as it is to set up a picket line so that teamsters will not cross to carry in any supplies of merchandise, beer, or whatever they are selling.

Mr. KAPLAN. This is exactly true. It is underlined by the fact that in former years the union that had jurisdiction or had most of the members of this field were the electrical workers but the electrical workers were not successful in keeping supplies from coming in, whereas the teamsters were, being teamsters and having an affiliated interest with the beer drivers and supply drivers.

For that reason in almost every part of the country the teamsters have the coin-machine workers which have very little relationship to a teamster occupation.

More recently, the technique has not been to put the picket line out, but merely calling up the persons driving the beer trucks and inform them that there is nonunion service on that machine and not to deliver.

This has been very effective. Additionally, as a further aid to policing this, the locals will usually give out a teamster sticker which is put on the machine. The association will have their own investigators who will go around from location to location or from tavern and restaurant to see if the machine does have such a sticker.

If it does not, then efforts are made immediately either to get that location into the hands of a member of this group or else to otherwise enforce by duress.

Mr. KENNEDY. From your examination and investigation, what do you find are the members of the union as far as employer or employee groups. For instance, up there you say the operators are the ones that are in the union.

Mr. KAPLAN. Yes; the peculiar thing about this is that the majority of the membership of most of these locals are employers.

MR. KENNEDY. So, in fact, the formation of a jukebox local is not, in fact, to benefit by wages, hours, and conditions an employee or the working class, but it is as a method of enforcement in each city for an employer group; is that right?

MR. KAPLAN. I have so found every place I have looked. I would so conclude.

MR. KENNEDY. Have you found also that often people with criminal records have taken an active part in this association and in the union?

MR. KAPLAN. I would say more so from the union official side; yes, sir.

MR. KENNEDY. But they are also in control of the operation and distributing of these machines. There have been in many cities individuals with criminal records.

MR. KAPLAN. Yes, there have been, Mr. Kennedy.

THE CHAIRMAN. Let me ask you another thing.

MR. KAPLAN. Yes, sir?

THE CHAIRMAN. What do these operators that have a union machine or get the union stamp and get the union protection pay to the union? They are self-employed people. They own the business.

MR. KAPLAN. Yes, sir.

THE CHAIRMAN. They are not employees.

MR. KAPLAN. In many instances they do not have employees.

THE CHAIRMAN. Sometimes it is just a one-man operation?

MR. KAPLAN. Yes, sir; I think probably in most instances.

THE CHAIRMAN. But he belongs to the union and he gets a sticker or stamp to put on his machine to show that he is a union man.

MR. KAPLAN. Yes, sir.

THE CHAIRMAN. And the machine is union?

MR. KAPLAN. Yes, sir.

THE CHAIRMAN. He gets protection from the union?

MR. KAPLAN. Yes.

THE CHAIRMAN. By reason of that?

MR. KAPLAN. Yes, sir.

THE CHAIRMAN. Since they are employers or self-employed, there is no actual labor or employee or employer relationship at all; is there?

MR. KAPLAN. I have never discovered it, sir.

THE CHAIRMAN. So the whole purpose of it is to create a monopoly in that sort of business under union control. That is what it amounts to: isn't it?

MR. KAPLAN. That is my conclusion.

THE CHAIRMAN. You pay a tribute to the union so that you can own and operate a machine though you employ no one except yourself.

MR. KAPLAN. That is correct, sir.

THE CHAIRMAN. And thus the union can protect you from competition. It can give you a certain number of locations and say they are yours so long as you pay for each machine. I would like to ask, does the owner, if he has a dozen locations, just pay one dues or does he pay on the basis of the number of machines and locations he has?

MR. KAPLAN. It has varied from time to time and in different places. Currently, in most cities, it appears that they are now paying a straight dues assessment.

THE CHAIRMAN. What is that dues assessment?

MR. KAPLAN. My current knowledge is only about Detroit where I

have been recently working. There it is \$20 per man per month.

The CHAIRMAN. \$20 per month?

Mr. KAPLAN. Yes, sir.

The CHAIRMAN. That is a tribute or just like paying a license to the city government or some other government for the privilege of operating the machine?

Mr. KAPLAN. Yes.

The CHAIRMAN. That is what it amounts to except that it does not go to government; it goes to a union.

Mr. KAPLAN. Yes, sir. Even more than that. On the part of the smaller operators, that is, the people with 10, 12, 15 machines, they pay it not because they are receiving protection, because they periodically—and over a period of time you can trace their loss of locations to the favored operations, which the union is able to do. They pay it only because they know that if they stop now they would immediately lose all their locations and they are afraid to stop even though they don't feel they are really getting a full measure of protection.

The CHAIRMAN. In other words, the union is in a position to say, "We decided you don't need this location any longer. We will see that someone else gets it."

Mr. KAPLAN. They can do this.

The CHAIRMAN. In effect.

Mr. KAPLAN. Yes, sir.

Mr. KENNEDY. It is not only for the union, but for the employer. Groups of employers that operate these machines, they find it advantageous, do they not, to have this working relationship with the union because they can keep their locations from being jumped, No. 1, and they keep out competition from outside areas from coming in; isn't that right?

Mr. KAPLAN. Yes.

Mr. KENNEDY. That is why, as you pointed out originally, many of these unions are set up by employers themselves in order to make sure that they have no outside competition. Isn't that right?

Mr. KAPLAN. As a matter of fact, I don't think we have ever found a union that was set up as a result of employee action because generally speaking employees in this industry are relatively few compared to the type of operation and their wages have always been comparably higher than similar occupations in the area.

Mr. KENNEDY. For instance, this local was set up and operated—local 985 of the teamsters—operated originally by Jimmy James; isn't that right?

Mr. KAPLAN. It was a predecessor union which was a Federal union from the AFL.

Mr. KENNEDY. The first teamsters union was a union operated by Jimmy James?

Mr. KAPLAN. Yes, the first teamster union was also operated by Jimmy James.

Mr. KENNEDY. The local that was set up. Was there a sum of money paid to an important teamster official by the employers to set that local up in Detroit?

Mr. KAPLAN. Yes, sir. There was sworn testimony that the employers or the major operators in the Detroit area paid a man named William Presser, who was a union official in Ohio, to come down at

the beginning of 1945 to show them how to set up an organization that would integrate a union and association for this purpose.

Mr. KENNEDY. So the association members, the employers, paid to William Presser, who was then a teamster official, \$5,000 to set up this kind of organization in Detroit; is that right?

Mr. KAPLAN. Yes, sir.

Mr. KENNEDY. Now, Mr. William Presser is chairman of the Ohio Conference of Teamsters at the present time.

Mr. KAPLAN. I believe so, sir.

Mr. KENNEDY. He is one of the chief lieutenants of Mr. James Hoffa; is he not?

Mr. KAPLAN. That is my understanding.

Mr. KENNEDY. Since that time he has been indicted.

Mr. KAPLAN. He had been indicted several years ago for organizing the same kind of a scheme among the tobacco and wholesale candy jobbers in the city of Cleveland. I believe although the case pended for several years that he was ultimately convicted and paid a fine.

Mr. KENNEDY. Doesn't this control and operation lead also to the control and operation of phonographic records?

Mr. KAPLAN. It could, if the operators continue to be vulnerable to union pressures, if they are going to stay in business, or to union wishes. The operators have a great deal to do with the making of a hit. That is, the jukeboxes do. The operators are major purchasers of the phonograph records that are produced throughout the country.

Mr. KENNEDY. Haven't there been instances where union officials who have this kind of operation have gone into the business of manufacturing records?

Mr. KAPLAN. Yes. As a matter of fact, in this investigation we specifically found that.

Mr. KENNEDY. Also, did we find that they then go into the control of talent and singers themselves?

Mr. KAPLAN. They could if they were successful in the control of records; yes, sir, because the talent is dependent on the record markets in many cases.

Mr. KENNEDY. As we get into this matter in Detroit—undoubtedly we will have to get back to it at a later time—it branches into many other areas because of its importance and control of this industry.

Mr. KAPLAN. Yes, I believe it does.

Senator MUNDT. You said Mr. Presser was indicted for trying to establish a similar setup?

Mr. KAPLAN. Yes, sir.

Senator MUNDT. Was he indicted under the Sherman antitrust law?

Mr. KAPLAN. I believe it was an antitrust indictment, but I think it was under the criminal provisions. I am not certain of that. I have not looked at that record for a couple of years.

Senator MUNDT. I wonder in this Detroit action has anybody moved in from the standpoint of restraint of trade violation?

Mr. KAPLAN. No, they have not, although it had been contemplated. Apparently the Department of Justice did not feel there was enough evidence.

Senator MUNDT. It seems quite obvious that if you can establish a monopoly like that by union and management, it is a restraint of trade of the first essence and a direct violation of the Sherman Anti-trust Act.

Mr. KAPLAN. Yes, sir.

Senator MUNDT. Let me ask you, which union do the workingmen belong to? A jukebox has to get out of order sometimes and you have to have a mechanic or electrician.

Mr. KAPLAN. Yes, sir.

Senator MUNDT. Do they belong to the same union?

Mr. KAPLAN. They belong to the same union because their employers have signed contracts putting them in the union.

Senator MUNDT. Everybody working in the business belongs to this so-called jukebox union?

Mr. KAPLAN. Yes.

Senator MUNDT. If they are an owner or operator or nickel collector or whatever it is?

Mr. KAPLAN. Yes, sir. In Detroit there are exceptions. Two large operators who have been fighting with the union for some period of time, or Mr. Buffalino, who is presently the head of that union, have asserted the right of their own employees to choose their own union and they each have their own union. They refused to sign agreements signing their employees into local 985. This is a relatively small segment of the entire industry in Detroit.

Senator MUNDT. Perhaps just enough to induce the Department of Justice to conclude that it did not have a complete monopoly.

Mr. KAPLAN. Well—

Mr. KENNEDY. Mr. Chairman, I would like to call Mr. Jimmy James, who was the first one that had this operation in Detroit and learn from him how this operation was set up.

Senator MUNDT. Let me ask Mr. Kaplan one question.

Did your investigation go into the activities of the union members and union employees and union officials or did you simply limit your investigation to the type of setup they had? I am trying to find out, if in your investigation, you discovered any work performed by Mrs. Hoffa or Mrs. Brennan.

Mr. KAPLAN. As a matter of fact, this had already been explored before a Wayne County grand jury. As I recollect, Mr. James himself testified there under oath that they performed no work. Actually, I might point out to make a fact more clear, they were put on the union payroll for a period of about 9 or 10 months and received between the 2 of them a total of \$6,000 and Mr. James testified that they were removed from that payroll only because he knew a grand jury was being formed to investigate labor racketeering. He did not want them to get involved.

Senator MUNDT. They didn't go around and do any secretarial work or answer the telephones or collect the nickels in the pockets of their kitchen aprons?

Mr. KAPLAN. According to Mr. James, they did not. I have one letter I thought we might look at with reference to the testimony I have just given. This was a letter that was sent by the president of the Michigan Automatic Phonograph Owners Association to the managing director of an association that was attempting to start up in southern California.

This was on August 6, 1947, and the relevant part states:

At the present time the union is operating at about 98-percent efficiency in holding locations for members.

This directly from the mouth of the man who was the head of the association.

Mr. KENNEDY. Mr. Jimmy James.

The CHAIRMAN. Do you solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. JAMES. I do.

**TESTIMONY OF EUGENE C. JAMES, ACCOMPANIED BY HIS COUNSEL,
H. CLIFFORD ALLDER**

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. JAMES. Eugene C. James, 325 Leask Lane, Rural Route 2, Wheaton, Ill.

The CHAIRMAN. Your occupation, please, sir?

Mr. ALLDER. At this time, Mr. Chairman——

The CHAIRMAN. Just a moment.

Will you state your occupation or do you decline?

Mr. JAMES. I respectfully refuse to answer the question on the grounds the question may tend to incriminate me.

The CHAIRMAN. You may be right.

Do you have counsel present?

Mr. JAMES. Yes.

The CHAIRMAN. Mr. Counsel, please identify yourself.

Mr. ALLDER. My name is H. Clifford Alder, member of the bar of Washington, D. C. My address is 403 Third Street NW.

The CHAIRMAN. All right.

Mr. ALLDER. At this time I would like to make a request of the committee, sir.

The CHAIRMAN. You may make it.

Mr. ALLDER. Currently there is pending before the United States grand jury, Chicago, Ill., an inquiry being presented by Max A. Goldstein, Special Assistant United States Attorney General, looking into union welfare fund abuses and alleged income-tax evasion by labor officials, as well as other matters relating thereto, in which it is inferred that an indictment may be presented against Mr. James.

Further, the United States Treasury Department is concluding its investigation covering his income-tax liability for the years 1951 to 1955, inclusive, and it is further inferred that criminal proceedings relating thereto are now under consideration.

He, therefore, respectfully petitions that his examination before this committee be deferred until there has been a disposition of these matters.

The CHAIRMAN. The Chair will rule that a request based upon an anticipated, probable, or sometime-in-the-future indictment for the violation of the criminal laws of the country is not sufficient justification to warrant the committee in deferring interrogation of witnesses.

If we should so recognize such requests where someone's income tax may be under investigation or someone comes in and says, "I might be indicted sometime in the future," then we would recognize and honor a condition that would absolutely obstruct the progress of our work.

I do not know that anyone is going to be indicted. I am sure some people will be indicted. There is always somebody violating the law.

But to come in and plead to a committee like this that I may have violated the law, or at least I am being investigated and, therefore, I should not be required to testify, is not justification to warrant this committee in honoring such a request. Therefore, the request is overruled.

Mr. ALLDER. May I be heard further, sir?

The CHAIRMAN. You may.

Mr. ALLDER. I have here a photostat of a letter dated July 8, 1957, from the United States Treasury Department, Internal Revenue Service, Regional Counsel, Room 1634, 17 North Dearborn Street, Chicago 2, Ill., addressed to Mr. Eugene C. James, 325 Leask Lane, Wheaton, Ill.

DEAR MR. JAMES: This is to advise you that a report covering an investigation of your income-tax liabilities for the years 1951 to 1955, inclusive, has been received in this office. The advisability of recommending to the Department of Justice that criminal proceedings be instituted for you for wilfully attempting to evade and defeat the individual income taxes for the years 1951 to 1955, inclusive, is currently under consideration by this office.

Before reaching any conclusion in this matter, this office desires to offer you the opportunity of a conference for the purpose of receiving any explanations or defenses which you may desire us to consider during our deliberations on this matter. You are entitled to be represented at this conference by counsel, or if you prefer, without counsel, by appearing in person on July 12, 1957, at 10 a. m., which has been set aside by this office for the conference, in the event such conference is desired by you.

It is suggested that all matters which you intend to present in this case can be presented at this conference. If there are any documents it will be necessary for you to certify to their contents. If you are represented by counsel, proper power of attorney for the years 1951 and 1955, inclusive, and in addition 5 authenticated copies, together with a fee statement, must be filed.

It is important that all matters to this office in connection with this matter be addressed to Post Office Box FF, Chicago, Ill.

Very truly yours,

HAROLD H. HART,
Acting Regional Counsel.

The CHAIRMAN. What is the date of the letter?

Mr. ALLDER. July 8, 1957.

The CHAIRMAN. What is the date for the hearing?

Mr. ALLDER. July 12, 1957.

The CHAIRMAN. That date is past.

Mr. ALLDER. That is correct, sir.

The CHAIRMAN. Was a hearing held?

(The witness conferred with his counsel.)

Mr. ALLDER. There was a conference with an attorney who represented Mr. James at that hearing. It was only a discussion and it was postponed. There has not been any since then, sir.

The CHAIRMAN. You have not been indicated, have you, Mr. James?

Mr. ALLDER. He has not, sir.

The CHAIRMAN. I asked Mr. James. Have you been indicted?

(The witness conferred with his counsel.)

Mr. JAMES. I respectfully refuse to answer the question on the grounds that the answer may tend to incriminate me.

The CHAIRMAN. All right, the request is overruled.

Mr. KENNEDY. Mr. James is of considerable interest to this committee. He has had a very long and distinguished career in the labor movement, starting back in 1944 or so. He had his charter lifted.

He refused to testify before the grand jury out in Detroit according to the information that we have.

After his charter was lifted, he was given a—a Federal charter was lifted by the union official in charge of the area—he was then given a charter by Mr. Jimmy Hoffa and he set him up in Local 985 of the Teamsters Union. Mr. James then placed Mr. Hoffa's wife and Mr. Bert Brennan's wife on the payroll at \$100 a week, although they did no work.

He continued in that operation. Then he brought in Mr. William Buffalino in the local. He was having trouble with gangsters and according to the information we have, Mr. Buffalino was to come in and sort of assist and advise him.

Then Mr. Buffalino took over the union and Mr. James left. According to our information this was early in 1949. At least according to the record we have examined, Mr. James sold his house in January 1949. Nevertheless, Mr. James remained on the payroll of the teamsters local, then operated by Mr. William Buffalino, through 1951.

Mr. James then went to the laundry workers union and they were having some difficulty down in Florida. So Mr. James and Mr. Gerald Connelly, whom we discussed yesterday, went down to Florida to try to organize some of the laundry operators down there.

According to the information and testimony given before a grand jury in a trial down in Florida by a Mr. Newbold, Mr. Newbold was hired by people associated with Mr. James and Mr. Connelly, whom Mr. Newbold met down there and by whom Mr. Newbold was hired to kill and shoot one of the laundry operators with whom the union was having difficulty.

Mr. Newbold did not do that, and some of Mr. James' and Mr. Connelly's colleagues took Mr. Newbold out and put five bullets in him and tried to run over him in a car and then threw him in a ditch. Mr. Newbold lived through all this and came back and testified.

Then Mr. James came north and became a higher official in the laundry workers union and Mr. Connelly, his colleague, came north with him and he became a teamster official in Minneapolis. Then Mr. Newbold took a part in the pension and welfare funds of the laundry workers union and appeared before the Douglas committee in 1953 or 1954.

After all the evidence was placed in the record by the Douglas committee and Mr. Less, who was the chief counsel, they found that Mr. James and his colleagues misappropriated more than \$900,000 of pension and welfare funds.

I believe that part of this is the reason that Mr. James is now under investigation for the payment of taxes on perhaps some of that money. But our interest dates back to the time that you first took over the local union and first were put in charge of that local union by Mr. James Hoffa.

What conversations did you have with Mr. James Hoffa that he was able to recognize your ability and your integrity in order to take over this local, Mr. James?

MR. JAMES. Before I answer that question, I would like to make a statement.

Honorable Senators, by reason of the pending inquiry before the Federal grand jury at Chicago, Ill., pertaining to my activities, as well as preceding inquiries before the United States Treasury Depart-

ment on my income tax matters for the calendar years of 1951 through 1955, inclusive, threatened criminal action therein, I am impelled to assert the privilege granted me under the fourth and fifth amendments to the Constitution of the United States whenever I refuse to answer an inquiry to me by the committee.

I desire it to be understood in my refusal to answer such inquiry I am invoking the privilege granted to me under the fourth and fifth amendments of the Constitution of the United States.

The CHAIRMAN. The statement has been heard. Let me ask you a question.

Do you know Jim A. Hoffa?

Mr. JAMES. I didn't understand the question, please.

The CHAIRMAN. Do you know Jim A. Hoffa?

Mr. JAMES. I respectfully refuse to answer the question on the grounds the answer may tend to incriminate me.

The CHAIRMAN. Some folks are tending to agree with you.

How long have you known him?

Mr. JAMES. I respectfully refuse to answer the question on the grounds the answer may tend to incriminate.

The CHAIRMAN. Are you a gangster?

Mr. JAMES. I respectfully refuse to answer—

The CHAIRMAN. Have you ever hired anyone to kill anyone in connection with the labor movement or your labor operations?

Mr. JAMES. Is that in the form of a question?

The CHAIRMAN. It is.

Mr. JAMES. I respectfully refuse to answer the question on the grounds the answer may tend to incriminate me.

The CHAIRMAN. What has been your relation with labor organizations?

Mr. JAMES. I respectfully refuse to answer the question on the grounds the answer may tend to incriminate me.

The CHAIRMAN. Is there something about your connection with them that you can't tell?

Mr. JAMES. I respectfully refuse to answer the question on the grounds the answer may tend to incriminate me.

The CHAIRMAN. Would any question pertaining to your labor-union operations likely tend to incriminate you if you answered it truthfully?

Mr. JAMES. I respectfully refuse to answer the question on the grounds the answer may tend to incriminate me.

The CHAIRMAN. Mr. Counsel, proceed and ask this witness all the questions pertinent to this inquiry.

Mr. KENNEDY. Mr. Chairman, the statute of limitations has certainly run for the period of time prior to 1950 and certainly it has run for the period of time back to 1944, 1945, 1946, and 1947.

The CHAIRMAN. Ask him the questions.

Mr. KENNEDY. Mr. James, will you tell us what conversations you had with Mr. James Hoffa that led him to set up local 985 in Detroit, Mich., and place you in as head of it?

The CHAIRMAN. At what time?

Mr. KENNEDY. During 1945.

The CHAIRMAN. 1945? The statute of limitations has run against you on any conversations you may have had at that time. Proceed.

Mr. KENNEDY. What conversations did you have with Mr. Hoffa?

Mr. JAMES. May I speak with counsel?

The CHAIRMAN. You may.

(The witness conferred with his counsel.)

Mr. JAMES. I respectfully refuse to answer the question on the ground the answer might tend to incriminate me.

The CHAIRMAN. With the permission of the committee, the Chair orders and directs you to answer that question.

Mr. JAMES. I respectfully refuse to answer the question on the ground the answer may tend to incriminate me.

The CHAIRMAN. The Chair will admonish you, and counsel can advise you differently, if he chooses to do so, that to refuse to answer that question may bring you within contempt of the United States Congress. Therefore, I order you again to answer the question.

Mr. JAMES. I respectfully refuse to answer the question on the ground the answer may tend to incriminate me.

The CHAIRMAN. Proceed to ask him a question pertaining to his conduct back there at that time in which the committee might be interested relative to its duty to inquire into proper practices in the labor-management field.

Mr. KENNEDY. The charter was issued to you, and I believe we have a copy of it here, for local 985, the 3d day of June 1947, and you were placed as the head of it. Within a short time, you put Mr. Hoffa's wife and Mr. Brennan's wife on the payroll. Can you tell us why you did that?

Mr. JAMES. I respectfully refuse to answer the question on the ground the answer may tend to incriminate me.

The CHAIRMAN. With the permission of the committee, the Chair orders and directs you to answer the question.

Mr. JAMES. I respectfully refuse to answer the question on the ground the answer may tend to incriminate me.

The CHAIRMAN. Proceed, Mr. Counsel.

Mr. KENNEDY. Isn't it true that the local union you had dealing with jukeboxes, prior to 1947, also had Mr. Hoffa's wife and Mr. Brennan's wife on the payroll?

Mr. JAMES. I respectfully refuse to answer the question on the ground the answer may tend to incriminate me.

The CHAIRMAN. With the permission of the committee, you are ordered and directed to answer the question.

Mr. JAMES. I didn't understand you, Senator.

The CHAIRMAN. You are ordered and directed to answer the question.

Mr. JAMES. I respectfully refuse to answer the question on the ground the answer may tend to incriminate me.

The CHAIRMAN. I hope you keep using the word "refuse," instead of "decline."

Proceed, Mr. Counsel.

Mr. KENNEDY. Isn't it true that, during this period of time, from 1947 on, Mr. William Buffalino was a major distributor of jukeboxes in the Detroit area, and that you were forced to bring him in and take him on as a business manager of your local union?

Mr. JAMES. I respectfully refuse to answer the question on the ground the answer may tend to incriminate me.

The CHAIRMAN. The Chair, notwithstanding the refusal of the witness, orders and directs him to answer the question.

Mr. JAMES. I respectfully refuse to answer the question on the ground the answer may tend to incriminate me.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Subsequently, Mr. Buffalino took over the local, and you left the city of Detroit but remained on the payroll. Isn't that correct?

Mr. JAMES. I respectfully refuse to answer the question on the ground that the answer may tend to incriminate me.

The CHAIRMAN. You are ordered and directed to answer the question.

Mr. JAMES. I respectfully refuse to answer the question on the ground the answer may tend to incriminate me.

Mr. KENNEDY. Wasn't Mr. Buffalino made president of the local by Mr. James Hoffa?

Mr. JAMES. I respectfully refuse to answer the question on the ground the answer may tend to incriminate me.

The CHAIRMAN. With the permission of the committee, the Chair orders and directs you to answer the question.

Mr. JAMES. I respectfully refuse to answer the question on the ground the answer may tend to incriminate me.

Mr. KENNEDY. Isn't it true that, at the same time you were operating this union, you also had some distributorships of your own, Mr. James?

Mr. JAMES. I respectfully refuse to answer the question on the ground the answer may tend to incriminate me.

The CHAIRMAN. The Chair, notwithstanding your respectful refusal, or disrespectful refusal, whichever it is, orders and directs you to answer the question.

Mr. JAMES. Is that in the line of a question?

The CHAIRMAN. It is an order.

Mr. JAMES. I respectfully refuse to answer the question on the ground the answer may tend to incriminate me.

Mr. KENNEDY. We have a letter here dated December 2, 1946, to Mr. J. James, Music Maintenance Workers Union, 1114 Francis Palms Building, Detroit:

The following members listed on enclosure have donated approximately \$1,400 as a Christmas gift for you. We hope that you buy a new car with this, and wish that you use it well. Wishing you a very merry Christmas and a happy New Year, we remain, very truly yours, Michigan Automatic Phonographic Owners Association, Inc.

JOSEPH BRILLIAN, *President*.

Did you receive \$1,400 at that Christmas?

Mr. JAMES. I respectfully refuse to answer the question on the ground the answer may tend to incriminate me.

The CHAIRMAN. You are ordered and directed to answer the question.

Mr. JAMES. I respectfully refuse to answer the question on the ground the answer may tend to incriminate me.

Mr. KENNEDY. On August 26, 1946, you received another \$2,000 from Mr. Brillian. Is that correct?

Mr. JAMES. I respectfully refuse to answer the question on the ground the answer may tend to incriminate me.

The CHAIRMAN. You are ordered and directed to answer the question.

Mr. JAMES. I respectfully refuse to answer the question on the ground the answer may tend to incriminate me.

The CHAIRMAN. Was Mr. Joseph Brillian an employer at that time?

Mr. JAMES. I respectfully refuse to answer the question on the ground the answer may tend to incriminate me.

The CHAIRMAN. With the permission of the committee, you are ordered and directed to answer the question.

Mr. JAMES. I respectfully refuse to answer the question on the ground the answer may tend to incriminate me.

The CHAIRMAN. Were you taking payoffs in that form from employers at that time while you were representing labor organizations?

Mr. JAMES. I respectfully refuse to answer the question on the ground the answer may tend to incriminate me.

The CHAIRMAN. With the permission of the committee, the Chair orders and directs you to answer the question.

Mr. JAMES. I respectfully refuse to answer the question on the ground the answer may tend to incriminate me.

The CHAIRMAN. Proceed.

Senator MUNDT. Do you know Mr. Joseph Brillian?

Mr. JAMES. I respectfully refuse to answer the question on the ground the answer may tend to incriminate me.

The CHAIRMAN. With the permission of the committee, the Chair orders and directs you to answer the question.

Mr. JAMES. I respectfully refuse to answer the question on the ground the answer may tend to incriminate me.

Senator MUNDT. You really wouldn't want to blacken the character of a man who gives you a \$1,400 Christmas gift by denying any acquaintanceship with him on the basis that to do so would be incriminating to you, would you?

Mr. JAMES. Is that in the form of a question?

Senator MUNDT. Yes.

Mr. JAMES. I respectfully refuse to answer the question on the ground the answer may tend to incriminate me.

The CHAIRMAN. With the permission of the committee, the Chair orders and directs you to answer the question.

Mr. JAMES. I respectfully refuse to answer the question on the ground the answer may tend to incriminate me.

Senator MUNDT. I heard that gratitude is a rapidly vanishing American virtue, but I didn't think that it had vanished to that extent.

A man gave you \$1,400 as a Christmas present, and you say you can't admit knowing him because if you do, by implication, his reputation is so bad, his performance is so vile, that you might incriminate yourself to admit that you know him.

Mr. JAMES. Is that in the form of a question?

Senator MUNDT. That is a commentary, and you don't have to answer it.

Mr. KENNEDY. Could you tell the committee what the relationship was between Mr. Buffalino and Mr. Hoffa, when Mr. Hoffa placed Mr. Buffalino in your local?

Mr. JAMES. I respectfully refuse to answer the question on the ground that the answer may tend to incriminate me.

The CHAIRMAN. Just a moment. With the permission of the committee, the Chair orders and directs you to answer the question.

Mr. JAMES. I respectfully refuse to answer the question on the ground the answer may tend to incriminate me.

Mr. KENNEDY. Why did you leave this local, Mr. James, and turn it over to Mr. Buffalino?

Mr. JAMES. I respectfully refuse to answer the question on the ground that the answer may tend to incriminate me.

The CHAIRMAN. With the permission of the committee, the Chair orders and directs the witness to answer the question.

Mr. JAMES. I respectfully refuse to answer the question on the ground the answer may tend to incriminate me.

Mr. KENNEDY. Could you tell the committee how you met Mr. Gerald Connelly?

Mr. JAMES. I respectfully refuse to answer the question on the grounds the answer may tend to incriminate me.

The CHAIRMAN. With the permission of the committee, the Chair orders and directs the witness to answer the question.

Mr. JAMES. I respectfully refuse to answer the question on the grounds the answer may tend to incriminate me.

Mr. KENNEDY. Could you tell the committee whether you were introduced to Mr. Gerald Connelly by Mr. Bert Brennan?

Mr. JAMES. I respectfully refuse to answer the question on the grounds the answer may tend to incriminate me.

The CHAIRMAN. With the permission of the committee, the Chair orders and directs the witness to answer the question.

Mr. JAMES. I respectfully refuse to answer the question on the grounds the answer may tend to incriminate me.

The CHAIRMAN. Proceed.

Mr. KENNEDY. For what purpose did you and Mr. Connelly go down to Miami, Fla., in approximately 1950? For what purpose did you and Mr. Gerald Connelly go down to Florida, down to Miami, Fla., in 1950?

Mr. JAMES. I respectfully refuse to answer the question on the grounds the answer might tend to incriminate me.

The CHAIRMAN. With the permission of the committee, the Chair orders and directs the witness to answer the question.

Mr. JAMES. I respectfully refuse to answer the question on the grounds the answer may tend to incriminate me.

Mr. KENNEDY. Mr. Nubold, the gentleman about whom I was talking earlier, testified that he knew and talked to you and that he received money from Mr. Gerald Connelly, and that you were associated in these projects down in Miami. Do you know Mr. Nubold?

Mr. JAMES. I respectfully refuse to answer the question on the grounds the answer may tend to incriminate me.

The CHAIRMAN. With the permission of the committee, the Chair orders and directs the witness to answer the question.

Mr. JAMES. I respectfully refuse to answer the question on the grounds the answer may tend to incriminate me.

Mr. KENNEDY. Were you and Mr. Connelly involved in the plan to have this operator of a laundry down in Miami, Fla., shot at?

Mr. JAMES. I refuse to answer the question on the grounds the answer may tend to incriminate me.

The CHAIRMAN. With the permission of the committee, the Chair orders and directs the witness to answer the question.

Mr. JAMES. I respectfully refuse to answer the question on the grounds the answer may tend to incriminate me.

Mr. KENNEDY. Were you and Mr. Connelly involved in the plan, when Mr. Neubold refused to shoot at this laundry operator, to have Mr. Nubold shoot himself?

Mr. JAMES. I respectfully refuse to answer the question on the grounds the answer may tend to incriminate me.

The CHAIRMAN. With the permission of the committee, the Chair orders and directs the witness to answer the question.

Mr. JAMES. I respectfully refuse to answer the question on the grounds the answer may tend to incriminate me.

Mr. KENNEDY. Did you know that Mr. Nubold was to be taken out and shot?

Mr. JAMES. I respectfully refuse to answer the question on the grounds that the answer may tend to incriminate me.

The CHAIRMAN. With the permission of the committee, the Chair orders and directs the witness to answer the question.

Mr. JAMES. I respectfully refuse to answer the question on the grounds the answer may tend to incriminate me.

The CHAIRMAN. These questions are directed at racketeering and gangsterism in labor organizations, so that the committee might get information upon which to make recommendations to the Congress with respect to legislation to prevent such criminal practices. Proceed.

Mr. KENNEDY. Could you tell the committee how Mr. Connelly was able to leave Florida and go up and receive the teamster charter up in Minneapolis?

Mr. JAMES. I respectfully refuse to answer the question on the grounds that the answer may tend to incriminate me.

The CHAIRMAN. The Chair with the permission of the committee orders and directs the witness to answer the question.

Mr. JAMES. I respectfully refuse to answer the question on the grounds the answer may tend to incriminate me.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Now, the Douglas committee charged that you and your colleagues misappropriated more than \$900,000 of pension and welfare funds. Was that charge or that finding regarding your activities correct or not?

Mr. JAMES. I respectfully refuse to answer the question on the grounds that the answer may tend to incriminate me.

The CHAIRMAN. With the permission of the committee, the Chair orders and directs the witness to answer the question.

Now I will ask him some questions. Did you ever handle union welfare funds?

Mr. JAMES. I respectfully refuse to answer the question on the grounds the answer may tend to incriminate me.

The CHAIRMAN. With the permission of the committee, the Chair orders and directs the witness to answer.

Mr. JAMES. I respectfully refuse to answer the question on the grounds the answer may tend to incriminate me.

The CHAIRMAN. Have you ever held an official position in a union, in which you had the responsibility for the trusteeship for the handling of union welfare funds?

Mr. JAMES. I respectfully refuse to answer the question on the grounds that the answer may tend to incriminate me.

The CHAIRMAN. With the permission of the committee, you are ordered and directed to answer that question.

Mr. JAMES. I respectfully refuse to answer the question on the——

The CHAIRMAN. Did you prior to 1950 at any time have an official position or any other position with a labor union or organization in which you were trustee or had the responsibility for the handling and administration of union welfare funds?

Mr. JAMES. I didn't understand all of your question. You got in on me before I finished my statement.

The CHAIRMAN. Did you at any time prior to 1950 have a relationship, an official relationship or an employment relationship with any labor union or organization in which it was part of your duties to handle and administer union welfare funds?

Mr. JAMES. I respectfully refuse to answer the question on the ground the answer may tend to incriminate me.

The CHAIRMAN. With the permission of the committee, the Chair orders and directs you to answer the question.

Mr. JAMES. I respectfully refuse to answer the question on the ground the answer may tend to incriminate me.

The CHAIRMAN. Do you feel that you have no obligation or responsibility or duty to people who pay funds into the union welfare funds, and pension funds? Do you feel that you have no obligation whatsoever to make an accounting for those funds when you are a trustee of them or in position to administer them?

Mr. JAMES. Is that a question, sir?

The CHAIRMAN. Yes.

Mr. JAMES. I respectfully refuse to answer on the ground the answer may tend to incriminate me.

The CHAIRMAN. With the permission of the committee, the Chair orders and directs you to answer the question.

Mr. JAMES. I respectfully refuse to answer the question on the ground the answer may tend to incriminate me.

The CHAIRMAN. Proceed.

Senator MUNDT. Mr. James, do you consider a dues-paying working man or woman who is a member of the union of which you are an official—do you consider such an individual a sucker to be fleeced or a human being to be served?

Mr. JAMES. Is that a question?

Senator MUNDT. Yes, sir.

Mr. JAMES. Or a comment?

Senator MUNDT. It is a question.

Mr. JAMES. I respectfully refuse to answer the question on the ground that the answer may tend to incriminate me.

The CHAIRMAN. With the permission of the committee, the Chair orders and directs the witness to answer the question.

Mr. JAMES. I respectfully refuse to answer the question on the ground the answer may tend to incriminate me.

Senator MUNDT. How could that incriminate you?

Mr. JAMES. Sir?

Senator MUNDT. How could that incriminate you?

Mr. JAMES. Is that a question, sir?

Senator MUNDT. Yes.

Mr. JAMES. I respectfully refuse to answer the question on the ground that the answer may tend to incriminate me.

The CHAIRMAN. With the permission of the committee, the chairman orders and directs the witness to answer the question.

Mr. JAMES. I respectfully refuse to answer the question on the ground the answer may tend to incriminate me.

Senator MUNDT. That is very pertinent to this inquiry, Mr. James. We are trying to find out whether certain union officials consider the people who pay the dues from the sweat of their toil as suckers to be fleeced and flimflammed and robbed, or whether these officials consider them as human beings whose interest should be served, and whose working conditions should be improved. That is directly pertinent to every phase and facet of our inquiry.

As a labor official, past or present, it is a pertinent question, and I want to ask you again: What was your concept of the status of the working men and women of America? Are they just to be considered suckers that you are going to pick on and fleece? Is that your idea, or do you consider them as human beings who have every right to expect honorable service from the officials that they elect or who are appointed from above to run the affairs of their union?

Mr. JAMES. I respectfully refuse to answer the question on the grounds that the answer may tend to incriminate me.

The CHAIRMAN. With the permission of the committee, the Chair orders and directs the witness to answer the question.

Mr. JAMES. I respectfully refuse to answer the question on the grounds the answer may tend to incriminate me.

The CHAIRMAN. Are there any further questions?

Mr. KENNEDY. I have none.

The CHAIRMAN. Mr. Eugene C. James, you are placed under recognition to reappear before this committee at such time as the committee may desire further testimony from you.

Do you acknowledge that recognition?

Mr. JAMES. Yes, sir.

The CHAIRMAN. With that understanding, the committee will have no further questions for you at this time. But for your information the Chair is now ordering and directing the staff to prepare the proper documents, official documents for this committee to recommend that the Senate of the United States cite you for contempt of the United States Senate.

You may stand aside.

Senator MUNDT. If you are about to recess, Mr. Chairman, I would like to put in the record a statement I prepared for a couple of newsmen who asked me to set out in greater detail what I said this afternoon rather casually about a suggestion that the teamsters convention in Miami might consider the election or selection of a housekeeping committee or a caretaking committee in lieu of trying to elect their national officials. I suggested that candidates for president down there and the secretary-treasurer might comprise such a committee to serve for several months while some of these problems and questions

which are unresolved are being clarified, so that the teamsters generally would know the type of people for whom they are asked to vote.

I ask that this statement may be placed in the record at this point.

The CHAIRMAN. The statement will be placed in the record at this point.

(The statement referred to follows:)

Senator MUNDT (reading).

Since making the suggestion somewhat casually this afternoon during our committee hearings that the teamsters convention in Miami might well consider deferring elections of a new national president and the establishment of a caretaking committee to operate the union for the next 3 to 6 months, I have been surprised by the large number of calls and communications which have come in supporting this proposal.

As a consequence, I want to call attention to its constructive possibilities in greater detail. Among other things, the delegates to the convention and the convention now confront these imponderables:

(1) Disclosures and rejoinders involving evidence of wrongdoing by James R. Hoffa and others are far from complete insofar as the testimony before our committee is concerned. It is impossible to present all the evidence and many of the most important witnesses for one reason or another are unable or unwilling to testify at this time.

(2) Mr. Hoffa and Mr. Brennan—as well as other high officials in the teamsters union—are presently under grand jury indictment. Action by the Federal courts is still required to determine the disposition which will be made of these indictments which, on the face of them, indicate serious irregularities and illegal acts.

(3) The question has been raised before our committee as to the ineligibility of certain delegates who expect to be seated at the Miami convention of the teamsters but who appear to have been chosen in violation of the constitution governing the International Union of Teamsters.

(4) Court action is being sought by some union officials who desire to take that means of preventing the teamsters convention in Miami from naming a new slate of elected officers at this time.

(5) Because of illness and for other reasons, some of the witnesses whose testimony should have a direct bearing on the wrongdoing or correct behavior of Mr. Hoffa and his associates are unable to testify at the current sessions of our committee.

(6) The CIO-AFL ethical practices committee has set an early deadline by which time it insists that the teamsters union either clean house or present evidence that the charge involving its top officials are groundless.

A "caretakers committee" such as I have recommended, could continue to operate the affairs of the teamsters union for 3 to 6 months while all of the foregoing questions and problems were being resolved. This committee could take such action as is needed to remove the causes of criticism which have attached to the union and certain of its officials; the AFL-CIO ethical practices committee would have an opportunity to complete its findings; our courts could make proper disposition of the indictments which are outstanding; our committee could complete its investigation and teamsters members everywhere would have available to them the full set of facts.

I sincerely believe that rather than forcing through an election under the chaotic conditions confronting the Miami convention, a standby committee to preside over the affairs of the union would be far preferable to either electing or rejecting candidates for the presidency of the international union at this time.

The honest hard-working dues-paying men and women who belong to the teamsters union are entitled to able, responsible leadership of the highest integrity. By providing an opportunity for all of the evidence to be presented and for all of the accused to make their complete defenses, the membership of the union and the delegates would not have to buy a pig in a poke but could then proceed next year to make defensible decisions in the calm atmosphere which would attend a convention having available to it all of the facts involved. This might well avoid the development of two teamsters unions in America, and

could eliminate the project of jurisdictional strikes. It could provide one teamsters organization which would be capably and honorably lead by officials commanding the respect of the entire teamster membership.

The CHAIRMAN. The committee will stand in recess until 8:30 in the morning.

(Whereupon, at 9:35 p. m. the committee was recessed, to reconvene at 8:30 a. m. Friday, September 27, 1957.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

FRIDAY, SEPTEMBER 27, 1957

UNITED STATES SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D. C.

The select committee met at 8:40 a. m., pursuant to Senate Resolution 74, agreed to January 30, 1957, in the caucus room, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Karl E. Mundt, Republican, South Dakota.

Also present: Robert F. Kennedy, chief counsel; Carmine S. Belino, accounting consultant; Pierre E. G. Salinger, investigator; Ruth Young Watt, chief clerk.

The CHAIRMAN. The committee will be in order.

(Members of the committee present at the convening of the session: The chairman and Senator Mundt.)

The CHAIRMAN. Call the next witness.

Mr. KENNEDY. Mr. Scott, please.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. SCOTT. I do.

TESTIMONY OF ROBERT P. SCOTT

The CHAIRMAN. Mr. Scott, please state your name and your place of residence and your business or occupation.

Mr. SCOTT. My name is Robert P. Scott. I live at 31 Bloomfield Terrace, Pontiac, Mich. I am a barber.

The CHAIRMAN. Mr. Scott, do you have counsel to represent you?

Mr. SCOTT. I do not.

The CHAIRMAN. You waive counsel?

Mr. SCOTT. Yes, sir.

The CHAIRMAN. Thank you very much.

Mr. Kennedy, you may proceed.

Mr. KENNEDY. Mr. Scott, what is your position at the present time?

Mr. SCOTT. I am on the board of examiners for the State of Michigan.

Mr. KENNEDY. For barbers?

Mr. SCOTT. Yes, sir.

Mr. KENNEDY. And you have been in the labor-union movement; have you?

Mr. SCOTT. Since 1926.

Mr. KENNEDY. For some 23 years you have been in the labor-union movement?

Mr. SCOTT. Something like that. I don't know the exact years.

Mr. KENNEDY. And for a while you were connected with the teamsters; were you?

Mr. SCOTT. Yes; I was.

Mr. KENNEDY. What period of time were you connected with the teamsters?

Mr. SCOTT. From about 1945 to the middle of 1952.

Mr. KENNEDY. Were you with another union prior to that?

Mr. SCOTT. I was with the barbers union, and I also had been with the CIO.

Mr. KENNEDY. And did you hold some position in the State with the labor-union movement in Michigan?

Mr. SCOTT. I was secretary-treasurer of the Michigan Federation of Labor.

Mr. KENNEDY. During what period of time?

Mr. SCOTT. I think for 6 years prior to 1952.

Mr. KENNEDY. From about 1946 to 1952 you were secretary-treasurer?

Mr. SCOTT. I believe I was.

Mr. KENNEDY. It was that period of time?

Mr. SCOTT. Just about.

Mr. KENNEDY. Now, you knew Mr. James Hoffa; did you?

Mr. SCOTT. I did.

Mr. KENNEDY. Was he responsible for you transferring from the barbers union into the teamsters?

Mr. SCOTT. Yes; he was.

Mr. KENNEDY. You became an official of the teamsters union?

Mr. SCOTT. I was elected to office in 1948, I believe.

Mr. KENNEDY. Prior to that time did you hold some position in the teamsters union?

Mr. SCOTT. I was a business agent from 1945 to 1952.

Mr. KENNEDY. In what local?

Mr. SCOTT. 614 of Pontiac.

Mr. KENNEDY. Who appointed you as the business agent?

Mr. SCOTT. Well, I was called into James Hoffa's office. I don't know whether he did it or Dan Keating.

Mr. KENNEDY. Dan Keating was president of the local at that time?

Mr. SCOTT. He was.

Mr. KENNEDY. And was there a Mr. Linteau? Was he an officer?

Mr. SCOTT. He wasn't an officer, but he was a business agent. He later became the officer by appointment to fill a vacancy.

Mr. KENNEDY. What position was he appointed to?

Mr. SCOTT. Secretary-treasurer.

Mr. KENNEDY. And by whom was he appointed?

Mr. SCOTT. Dan Keating.

Mr. KENNEDY. Now, you say that you were ultimately elected an officer; were you?

Mr. SCOTT. Yes; I was.

Mr. KENNEDY. We have had some testimony before this committee from a rank-and-file member of the Pontiac local, and he described that election that was held, I believe around 1948, and he said it was a rigged election for the incumbent officers. Is that true?

Mr. SCOTT. Well, nobody could become an officer unless he had paid his dues in advance, and at that time I don't know anyone in the local who had paid his dues in advance. They declared everybody ineligible except the ones that were in office and myself.

Mr. KENNEDY. Had you, in fact, paid your dues in advance?

Mr. SCOTT. No; I hadn't.

Mr. KENNEDY. Had any of the other officers paid their dues in advance?

Mr. SCOTT. No; but the girl in the office so recorded that we had paid them in advance.

Mr. KENNEDY. So, in fact, in was a rigged election?

Mr. SCOTT. Well, I would say it was.

Mr. KENNEDY. Now, did you have during that period of time much contact with Mr. Hoffa?

Mr. SCOTT. Yes; I did.

Senator MUNDT. Let me interrupt to complete this first part. If it was a rigged election, it seems that the next logical question is, Who rigged it?

Mr. SCOTT. The people that were in office at that time.

Senator MUNDT. That was the people at the central union or the local union, or at the international level? Which people in which office rigged it for what purpose?

Mr. SCOTT. To keep themselves in office.

Senator MUNDT. Now, that is the purpose. Now, which people, the ones at the local level?

Mr. SCOTT. Yes; but they were in by virtue of the union being under trusteeship at that time. They had never been elected to office in the union.

Senator MUNDT. So that they being trustees originally, appointed by Mr. Hoffa and the central office, were rigging the election so that they could continue to represent him in that local, rather than the local union members; is that correct?

Mr. SCOTT. That is right.

Senator MUNDT. Thank you.

Mr. KENNEDY. Now, did you perform some special services for Mr. Hoffa while you were with the teamsters?

Mr. SCOTT. Yes; I did.

Mr. KENNEDY. Did you travel throughout the State for him?

Mr. SCOTT. Yes, I did. At the time that he put me up as a candidate for secretary-treasurer, he had me contact all of the local unions within the State, and they, in turn, called a meeting of all of the AFL locals in their towns.

Mr. KENNEDY. That was when you were put up to run as secretary-treasurer of the Michigan Federation of Labor?

Mr. SCOTT. That is right.

Mr. KENNEDY. Did he have you travel the State in connection with any other matter?

Mr. SCOTT. Well, at one time in a political campaign, I had to contact numerous delegates to elect George Fitzgerald a national committeeman.

Mr. KENNEDY. And you traveled the State for that purpose, also?

Mr. SCOTT. Yes, sir.

Senator MUNDT. May I inquire, are you talking about a political campaign in terms of union politics or Michigan politics?

Mr. SCOTT. It was Michigan politics.

Senator MUNDT. In other words, George Fitzgerald was what?

Mr. SCOTT. Michigan national committeeman.

Senator MUNDT. This had nothing to do with the union. Of course, this was done at Mr. Hoffa's direction?

Mr. SCOTT. That is right.

Senator MUNDT. In complete violation, may I say, of Federal law, because when you elect a national committeeman you are getting into Federal politics, and that isn't a State election. That is a national election, and the law specifically precludes union activities in Federal politics.

I don't know whether this occurred prior to the passage of the law or subsequent to it, but I simply want to point out, Mr. Chairman, that this is the first specific and very flagrant illustration we have had before us of international labor unions involving themselves in Federal politics, and dramatizes the thing we have been suspecting, that we need new legislation to stop labor unions from meddling with national political campaigns.

Mr. SCOTT. This was an election of a national committeeman and we didn't take any part in the national campaign at that time.

Senator MUNDT. Except, Mr. Scott, that a national committeeman is a participant in the national determinations of his party, and so, automatically his election is part of a national campaign. That is his function, and that is his job.

Mr. SCOTT. This was all done within the State of Michigan, and not on a national level at all.

Senator MUNDT. I agree with you, except that the man that you elected becomes a representative of the State of Michigan on the national level, helping to select delegates, and helping to select convention sites, and helping to write platforms, and helping if it is desired by the national committee, as sometimes it is, by both parties, to manipulate the convention a little bit.

This is a man who triggers off the whole national campaign, and should be of tremendous concern to every conscientious American who doesn't want his political candidates nominated for president and his platforms written by labor unions in violation of the law.

Mr. SCOTT. I have been a delegate long before I had become an official of any labor union.

Mr. KENNEDY. Mr. Scott, prior to coming here to testify, did you receive any threats that you should not testify?

Mr. SCOTT. I was called on the telephone and told not to appear here to testify.

Mr. KENNEDY. What was said to you in those telephone conversations?

Mr. SCOTT. I received 2 calls, 1 at 7 o'clock at night and 1 at 10 o'clock, and I was told not to appear here and testify in front of the Labor Committee.

Mr. KENNEDY. When did you receive those calls?

Mr. SCOTT. I received them last week. It was either Monday night or Tuesday night.

Mr. KENNEDY. Now, you are here by order of a subpoena; isn't that correct?

Mr. SCOTT. That is the way I came here.

Mr. KENNEDY. Now, prior to coming in did you learn who those telephone calls came from?

Mr. SCOTT. No, I didn't.

Mr. KENNEDY. When you were in the teamsters union, did you learn some information or pick up some information that leads you to believe that your wife had been threatened by teamster union officials?

Mr. SCOTT. My first wife has since passed away, and she constantly received telephone calls stating that I was either bumped off or laying in the gutter some place.

Mr. KENNEDY. Did this affect her health?

Mr. SCOTT. Yes, it did.

Mr. KENNEDY. Was she sick at the time?

Mr. SCOTT. Yes, she was. She had arthritis very bad, and at the time of these telephone calls I would be out, and I was working for the State at the time, and I would be out at night on my way home and she would receive these calls and try to get to the telephone and many times she fell down and hurt herself.

Senator MUNDT. What was the purpose of the attempts to intimidate you through your wife? The labor union must have had some reason.

Mr. SCOTT. Because at the time the teamsters union was trying to organize the grocery-store dealers in Pontiac.

Senator MUNDT. Were you trying to stop them?

Mr. SCOTT. I was with the CIO and I was trying to stop the teamsters from organizing them, and so did.

Senator MUNDT. So they called up your wife to try to threaten her so as to have some influence with you to call off your efforts to stop the teamsters; is that right?

Mr. SCOTT. That is right.

Senator MUNDT. And the teamsters were stopped and the CIO, with which you were connected, organized the grocery-store workers?

Mr. SCOTT. I could not say. We did not organize them at that time because most of the grocery stores in Pontiac did not have hired help. It was only men and their wives.

Senator MUNDT. In any event you did stop the teamsters from organizing them?

Mr. SCOTT. That is right.

Senator MUNDT. And subsequently if they join either the teamsters or the CIO, or are they still unorganized?

Mr. SCOTT. To my knowledge they are still unorganized.

Mr. KENNEDY. These threats to your wife, these telephone calls to your wife, did they hasten her death, Mr. Scott?

Mr. SCOTT. I would say they did, and so did the doctor.

Mr. KENNEDY. That was how many years ago?

Mr. SCOTT. She died in 1946.

Senator MUNDT. Mr. Scott, one other question. You were with the CIO at that time?

Mr. SCOTT. Yes, sir.

Senator MUNDT. If you were not interested in organizing the grocery-store workers, why were you interested in keeping the teamsters from organizing the grocery-store workers?

Mr. SCOTT. Because of my acquaintance with the grocery-store men and the only one that was in it was the man and his wife.

Senator MUNDT. So you were really acting to stop the teamsters not as a CIO official, but as a friend of the people in the grocery stores who felt that this was not a proper economic activity to organize; is that correct?

Mr. SCOTT. It was because I didn't think so and the CIO supported my thoughts because it was CIO men that assisted me in stopping the teamsters.

Senator MUNDT. I was just trying to establish your reasons for opposing the teamsters if you yourself were not trying to organize them. You were doing it on the basis that this was too small a shop to be brought into a labor union.

Mr. SCOTT. That is right.

Mr. KENNEDY. Mr. Scott, you had this problem, as far as your wife was concerned, in 1945 and 1946 when these telephone calls were made to her. At that time, as I understand it, you did not realize that it was telephone calls from teamsters?

Mr. SCOTT. No, I didn't.

Mr. KENNEDY. You ultimately joined the teamsters yourself and then from conversations and from what people said and what information you picked up subsequently, you learned that these telephone calls had been from teamster officials; is that right?

Mr. SCOTT. I believe they were from the teamster local officials.

Mr. KENNEDY. Let me ask you this. In view of the fact that you have received these telephone calls within the last week yourself, why is it that you have come here to testify? Do you consider that Mr. Hoffa is a threat throughout the country to organized labor?

Mr. SCOTT. First, I was subpoenaed here and secondly, I do not think he is a good influence for the labor movement.

Mr. KENNEDY. That is why you have been willing to testify and assist the committee?

Mr. SCOTT. Yes, sir.

Mr. KENNEDY. While you were in this local 614, were the union members kept informed as to the finances of the union?

Mr. SCOTT. No, they weren't. There was no financial report ever read to the local membership in any way, shape, or form. But at one time to my knowledge, the Taft-Hartley law requires you to make a financial statement once every year and post it in the local union office. A statement compiling the total revenue and the total expenditures was posted in the local union, although it was never read at any local union meetings of the local.

Mr. KENNEDY. Were any minutes kept of the meetings of the executive board?

Mr. SCOTT. Prior to my going with local 614 there was never any minutes kept, but after I went with them, I requested that they keep minutes of the meetings. They would be drawn a week or 10 days or 2 weeks after the meeting of the recording secretary.

Mr. KENNEDY. While you were there as an official of the local, Mr. Hoffa was having his home remodeled at Lake Orion; is that right?

Mr. SCOTT. He bought a summer home at Square Lake in Lake Orion, and he had it completely remodeled.

Mr. KENNEDY. Could you tell the committee who handled the remodeling of it?

Mr. SCOTT. To my knowledge, Keating did. The reason that I say that he did was because all the bills for the remodeling came to our office on Lawrence Street, and Keating paid the bills.

Mr. KENNEDY. Did Mr. Keating have the money himself to pay the bills?

Mr. SCOTT. I would say, at that time Mr. Keating did not have that kind of money.

Mr. KENNEDY. Did Mr. Keating say anything to you as to whether Mr. Hoffa had given him the money for those bills?

Mr. SCOTT. He said that Hoffa did not give him the money to pay the bills or make the downpayment on the cottage.

Mr. KENNEDY. What was the downpayment that had to be made?

Mr. SCOTT. \$2,000.

Mr. KENNEDY. How much, approximately, went into the house after that for remodeling?

Mr. SCOTT. For remodeling it was from ten to fourteen thousand dollars.

Mr. KENNEDY. You say that money was paid by Mr. Keating and Mr. Keating stated that Mr. Hoffa did not give him the money to pay those bills; is that right?

Mr. SCOTT. On numerous occasions Mr. Keating said he was going to keep all them bills and someday present them to Mr. Hoffa.

Mr. KENNEDY. But in the meantime he paid the bills himself?

Mr. SCOTT. That is right.

Mr. KENNEDY. You do not believe that the money came from Mr. Keating's own pocket; is that right?

Mr. SCOTT. No. I think it came from the teamsters local union funds.

Mr. KENNEDY. Did the union, that you know of, pay any of the bills of Mr. Hoffa's home?

Mr. SCOTT. They paid all the telephone bills at that cottage out of the local union funds.

Mr. KENNEDY. How do you know that?

Mr. SCOTT. I seen Dan make out the checks.

Mr. KENNEDY. The bills were sent to local 614 and you saw Mr. Keating make out the checks?

Mr. SCOTT. Yes, sir.

Mr. KENNEDY. Mr. Keating and Mr. Linteau and Mr. Marossa, Mr. Niccoletti and Mr. Fitzsimmons were indicted for extortion in one period of time, either 1953 or 1954. Are you familiar with that?

Mr. SCOTT. I can truthfully say that Mike Niccoletti, Sam Marossa, Louis Linteau, and Dan Keating was indicted by the grand jury, but as far as Frank Fitzsimmons is concerned, I never knew whether he was indicted or not, although I knew that they all pleaded guilty with the exception of Mike Nicolletti, so Frank Fitzsimmons would not be sent to jail.

Mr. KENNEDY. Let me understand this. If Mr. Fitzsimmons was involved with these individuals, but they took a plea of guilty, all except Niccoletti, so that no action would be taken against Mr. Fitzsimmons; is that right?

Mr. SCOTT. That is the way I was told.

Mr. KENNEDY. Who told you that?

Mr. SCOTT. Mr. Keating.

Mr. KENNEDY. Did Mr. Keating also tell you anything about his being taken care of for performing this service for Mr. Fitzsimmons and Mr. Hoffa?

Mr. SCOTT. They were supposed to remain on the payroll. Whether they did or not, I could not say, because I was not with the local at that time.

Mr. KENNEDY. Did Mr. Keating tell you that he had remained on the payroll?

Mr. SCOTT. They were supposed to be getting paid while they were in the Detroit House of Correction.

Mr. KENNEDY. You do not have any personal knowledge of that?

Mr. SCOTT. No, I don't.

Mr. KENNEDY. Did Mr. Keating tell you that Mr. Lintean and Mr. Marossa were also being paid while they were in prison?

Mr. SCOTT. He told me that Sam Marossa and Louis Lintean was getting paid even after he had left the local, or left the prison, rather.

Mr. KENNEDY. While Mr. Hoffa and Mr. Brennan purchased a place up in Iron River, Mich., which is away up in northern Michigan, as I understand, did you hear about that?

Mr. SCOTT. I don't know the correct acreage, but I believe it was 140 acres. They purchased this in the Upper Peninsula in about 1950, I believe. They have constantly sent the business agents from local 614 up there to make repairs on the place and do work on it.

Mr. KENNEDY. Did you hear anything about Mrs. Brennan and Mrs. Hoffa flying up to see this property?

Mr. SCOTT. I was told by Keating and Gordon Rohrich who is now dead, and he said that Dan Keating hired him to fly Mrs. Hoffa and Mrs. Brennan up there to look the property over. Dan told me that he paid for the trip with union funds.

Mr. KENNEDY. How much was that?

Mr. SCOTT. About \$1,400.

Mr. KENNEDY. Was there a grand jury investigation around 1947 and 1948 of the activities of Mr. Hoffa and others?

Mr. SCOTT. Yes, there was.

Mr. KENNEDY. That was a one man grand jury operated by George Murphy, a State circuit court judge?

Mr. SCOTT. I believe it was.

Mr. KENNEDY. Were you assigned by Mr. Hoffa to any position in connection with that grand jury investigation?

Mr. SCOTT. I was told to find out what the witnesses was testifying to in front of the grand jury.

Mr. KENNEDY. To get that information, who would you contact?

Mr. SCOTT. There was a fellow working either for the grand jury or for the newspaper that I had gone to school with. He gave me information on what people were testifying to in front of the grand jury.

Mr. KENNEDY. What was his name?

Mr. SCOTT. Earl Kehoe. He is a lawyer in Florida now.

Senator MUNDT. How would he know what they testified to in the grand jury?

Mr. SCOTT. He was either working for the grand jury as an investigator or for the Detroit News. I can't say which. But he knew what was going on in the grand jury. At one time he was chief investigator for the prosecutor's office in Oakland County.

Senator MUNDT. So he would have contacts at least with the people who were operating the grand jury proceedings.

Mr. SCOTT. That is right.

Mr. KENNEDY. He is the same Earl Kehoe, I believe, who is practicing law down in Miami?

Mr. SCOTT. That is right.

Mr. KENNEDY. He was up here during the recent trial of Mr. Hoffa. His hotel bill here was paid for by the teamsters.

Mr. SCOTT. That I don't know anything about.

Mr. KENNEDY. So you would make your contact with Mr. Kehoe, is that right?

Mr. SCOTT. That is right.

Mr. KENNEDY. How many times did you see Mr. Kehoe?

Mr. SCOTT. I would see him about every night. But on at least three occasions he gave me information in regards to what was going on in the grand jury.

Mr. KENNEDY. Did he give you any specific information regarding an individual who testified against Mr. Hoffa receiving money?

Mr. SCOTT. He told me at one time that Turk Prujanski——

Mr. KENNEDY. P-r-u——

Mr. SCOTT. I don't know how it is spelled.

Mr. KENNEDY. P-r-u-j-a-n-s-k-i-, Turk, T-u-r-k, Prujanski.

Mr. SCOTT. That he was in front of the grand jury and testified to going to give Hoffa five to ten thousand dollars to have it fixed with the chairman of the liquor control commission who is now deceased and his name was Orin D. Masser.

Mr. KENNEDY. Or DeMass?

Mr. SCOTT. Yes. He was chairman of the liquor control commission at one time.

Mr. KENNEDY. It is D-e-M-a-s-s. He was chairman of the liquor control commission.

Mr. SCOTT. At one time; yes.

Mr. KENNEDY. And the five or ten thousand dollars Turk Prujanski testified before the grand jury was given to Mr. Hoffa to share with Mr. DeMass?

Mr. SCOTT. I don't know what Hoffa was going to do with the five or ten thousand dollars.

Mr. KENNEDY. Did you know at that time that Mr. DeMass and Mr. Hoffa and Mr. Brennan were in business together?

Mr. SCOTT. No, I did not. I did hear of Mr. Hoffa giving \$25,000 to Mr. DeMass of the Republican Party for a campaign contribution.

Mr. KENNEDY. Did you report this testimony to Mr. Hoffa of Turk Prujanski?

Mr. SCOTT. Yes, I did.

Mr. KENNEDY. What did Mr. Hoffa say?

Mr. SCOTT. He said he would have him taken care of. Turk was out to the racetrack and 2 men of Hoffa's contacted him and told him to get out of the State and he left and went to California, and he was brought back on a fugitive warrant and he refused to testify to what he said in front of the grand jury and he was committed to jail for 60 days.

Mr. KENNEDY. Mr. Hoffa said he would have him taken care of?

Mr. SCOTT. That is right.

Mr. KENNEDY. Did you learn from Mr. Hoffa that he had two men speak to Mr. Prujanski?

Mr. SCOTT. Yes, sir.

Mr. KENNEDY. Mr. Prujanski left the State and went to California.

Mr. SCOTT. That is right.

Mr. KENNEDY. And the State of Michigan arranged to have him brought back?

Mr. SCOTT. That is right.

Mr. KENNEDY. And when he was brought back and appeared again before the grand jury he refused to repeat what he said earlier?

Mr. SCOTT. That is right.

Mr. KENNEDY. And he was sentenced to 60 days in jail for refusing to testify?

Mr. SCOTT. For contempt.

Mr. KENNEDY. At what time during the day or night did you used to meet with Mr. Kehoe and pick up this information?

Mr. SCOTT. He would contact me all hours of the night from a hotel in Detroit, and I would have to get up out of bed and go down there and get the information.

Mr. KENNEDY. Did you know what Mr. Turk Prujanski's business was at the time and what he was doing?

Mr. SCOTT. He was running a bar. I can't tell you the name of the street.

Mr. KENNEDY. But he was operating a bar?

Mr. SCOTT. He was operating it for some other people. He didn't own it.

Mr. KENNEDY. After this grand jury was over, did Mr. Hoffa speak to you about drawing up a bill to outlaw these kinds of grand juries?

Mr. SCOTT. Yes, sir.

Mr. KENNEDY. Would you tell us the conversation you had with him?

Mr. SCOTT. Well, he said we should do away with the one-man grand jury. I honestly believed that they should be at that because they are not any good for anyone. I think the Supreme Court has ruled they are unconstitutional. But at the time I was a lobbyist for the Michigan Federation of Labor and the bill was drafted. I talked to George Fitzgerald and Dave Previant about it, and I was able to get the bill through the legislature, and the one-man grand juries were outlawed. Then they in turn 2 years after I quit introduced a 1-man grand jury bill and put it in force again.

Mr. KENNEDY. Did Mr. Hoffa speak to you at all to intercede with the governor in connection with certain of his friends who were in prison?

Mr. SCOTT. There was one fellow in jail on a life conviction. He asked me to intercede with the Governor on a pardon. That I told him I could not do because I would be no longer any good as a lobbyist. Then he got some other people to get him paroled.

Mr. KENNEDY. Did you have conversation with him about a relative of Pete Licavoli?

Mr. SCOTT. He called me and asked me.

Mr. KENNEDY. Identify Pete Licavoli, first.

Mr. SCOTT. He is connected with the rackets in Detroit to the best of my knowledge.

Mr. KENNEDY. Anyway, he has a long police record, has he not?

Mr. SCOTT. He has a long police record. Jimmy contacted me about his father-in-law, one Pete Camponero, and I believe two Republicans introduced the bill here in Congress to keep him in this country, but he was sent out of the country by the State of Michigan, and part of his parole was that he would stay out of the country. He came back into the country and they picked him up for violation of parole.

Mr. KENNEDY. What did Mr. Hoffa want you to do? Did he want you to approach the Governor for a pardon for him?

Mr. SCOTT. Yes; he did.

Mr. KENNEDY. Was Mr. Hoffa a friend of Pete Licavoli?

Mr. SCOTT. Yes; he is.

Mr. KENNEDY. He is at the present time. I have Mr. Nick Licavoli's prison record here. In 1922, the charge was robbery; 1926, robbery; in 1927 he was arrested again; 1927, violation of Volstead Act; 1927, kidnaping; 1928, prohibition law; 1928, murder; 1929, kidnaping; 1929, disorderly person; 1930, disorderly person; 1931, fugitive; 1931, murder; 1931, conspiracy to violate the prohibition law; 1933, murder; shooting for 1935; extortion, 1935; 1935, disorderly person; 1935, assault and battery; conspiracy in 1941; investigation, 1946; 1950, conspiracy, and a number of others. Did Mr. Hoffa speak to you about getting promotions for various police officers?

Mr. SCOTT. He did. To my knowledge on 2 occasions, 2 State policemen he wanted to get promoted.

Mr. KENNEDY. Did you find that there was a tieup between Mr. Hoffa and some of the underworld element in Michigan?

Mr. SCOTT. I would say there was.

Mr. KENNEDY. Do you have any explanation as to why that existed?

Mr. SCOTT. Well, on one occasion I was called to his office by Bert Brennan and asked to put the fix in with the Oakland County prosecutor so some of the boys could run out there in Oakland County.

Senator MUNDT. Run what?

Mr. SCOTT. A gambling joint.

Mr. KENNEDY. Mr. Hoffa was present at that time?

Mr. SCOTT. Yes; he was.

Mr. KENNEDY. So he performed services for some of these individuals and some of the underworld element, and they in turn would perform services for him and favors?

Mr. SCOTT. That is my knowledge of it.

Mr. KENNEDY. Did you agree to try to put a fix in for them in Oakland County?

Mr. SCOTT. No; I did not.

Mr. KENNEDY. What did you say?

Mr. SCOTT. I told them I couldn't fix it. They said I could.

Mr. KENNEDY. Had they requested you to fix it earlier?

Mr. SCOTT. Yes; they had.

Mr. KENNEDY. And you had refused at that time.

Mr. SCOTT. Yes; I had.

Mr. KENNEDY. Is that when you were called down to Mr. Hoffa's office?

Mr. SCOTT. Yes. Bert Brennan called me asked me if my insurance was paid up. I asked him what that had to do with him. He said, well, he had a couple of fellows in the office that wanted me to

fix it for them to run out in Oakland County, and they were bad boys, and I had better have my insurance paid up.

Mr. KENNEDY. Was one of them known as Little Sammy?

Mr. SCOTT. Sammy Fenness, I guess is his name. He has some boxers out there.

Mr. KENNEDY. Sam Fenness.

Mr. SCOTT. I think that is his name.

Mr. KENNEDY. Sam Fennazo, is that right?

Mr. SCOTT. I don't know. I only knew him by Sam Fenness.

Mr. KENNEDY. Mr. Chairman, in the telephone conversation that was held involving Tony Ducks Corallo, he mentioned the fact that this individual was having trouble arranging about a charter with the teamsters, that Jimmy Hoffa should intercede. The man said he didn't know Jimmy Hoffa. So Tony Ducks said, "Well, tell him you are a friend of Little Sammy, because Little Sammy is also a friend of Jimmy Hoffa."

Was that place ever opened up in Oakland County?

Mr. SCOTT. Yes, it was. It was opened up and it was supposed to run for 30 days. It run a little better than that and then it was closed up.

Mr. KENNEDY. Why was it supposed to run for 30 days?

Mr. SCOTT. So he could get his money back on his investment of what it cost him to open the place up.

Mr. KENNEDY. This was Sammy, was it?

Mr. SCOTT. Yes, sir.

Mr. KENNEDY. Did you also know William Hoffa?

Mr. SCOTT. You mean Jimmy's brother?

Mr. KENNEDY. Yes.

Mr. SCOTT. Yes.

Mr. KENNEDY. Was he associated with 614?

Mr. SCOTT. He is a business agent for them now.

Mr. KENNEDY. Were you ever approached by anybody that spoke to you about William Hoffa getting into the rackets out in Pontiac?

Mr. SCOTT. Yes, I was. I was told by a Greek fellow that they called the Chinaman that Billy Hoffa was trying to get in the numerous rackets. At the time I said, "Whatever you do, don't let him in it." I said, "He is on parole now. I believe, from Detroit, and he is connected with local 614, and we don't want him in the racket."

Mr. KENNEDY. Did you ever hear anything more about it?

Mr. SCOTT. Well, yes. I was in the Fort Wayne Hotel in Detroit, and Herman Kierdorft told me that Billy Hoffa wanted to hire him to bump me off.

Mr. KENNEDY. For what reason?

Mr. SCOTT. Because I interfered with him getting in the numbers rackets.

Mr. KENNEDY. Had you any experience with William Hoffa prior to that?

Mr. SCOTT. The only experience I had with him was when he was arrested for something in Detroit.

Mr. KENNEDY. That was for armed robbery.

Mr. SCOTT. Yes, it was. Jimmy told me to take him out in Pontiac and hide him away from the police.

Mr. KENNEDY. The police were looking for him at that time.

Mr. SCOTT. Yes, sir.

Mr. KENNEDY. Did you hide him?

Mr. SCOTT. I don't know how well I hid him, but he was never picked up.

Mr. KENNEDY. Where did you hide him?

Mr. SCOTT. In a hotel.

Mr. KENNEDY. Who paid the hotel bill?

Mr. SCOTT. Local 614.

Mr. KENNEDY. Did you make the arrangements for the hotel bills to be paid by 614?

Mr. SCOTT. Yes, I did.

Mr. KENNEDY. Did you personally handle that?

Mr. SCOTT. In addition to paying the hotel bills, we paid Billy Hoffa \$75 a week.

Mr. KENNEDY. All Billy Hoffa did was to stay in the hotel room?

Mr. SCOTT. That is right.

Mr. KENNEDY. Was his wife there with him?

Mr. SCOTT. She was for a while.

Mr. KENNEDY. How long a period of time was that?

Mr. SCOTT. I would say 3 or 4 months.

Mr. KENNEDY. Then you say she was there with him for a while. Did she leave him?

Mr. SCOTT. She ran away from him. I don't believe they were married.

Mr. KENNEDY. Was Mr. Hoffa interested in the fact that Billy Hoffa's wife had run away from him?

Mr. SCOTT. He called me up and he told me that Billy's wife had left him and that he was going to send Tom Burke some place out in Arizona to bring her back.

Mr. KENNEDY. Who is Tom Burke?

Mr. SCOTT. He was at that time a business agent for Jimmy Hoffa.

Mr. KENNEDY. Did Tom Burke go out west and pick her up and bring her back?

Mr. SCOTT. He went out and I believe he did bring her back. I am not sure.

Mr. KENNEDY. Were you told by Tom Burke as to who paid the transportation?

Mr. SCOTT. He said it cost around \$7,000 for the time he was gone, and the union paid for it.

Mr. KENNEDY. The search for Mrs. William Hoffa?

Mr. SCOTT. Yes, sir.

Mr. KENNEDY. The whole search cost approximately \$7,000?

Mr. SCOTT. Yes, sir.

Mr. KENNEDY. And that was all paid for by the union?

Mr. SCOTT. Yes, sir.

The CHAIRMAN. Let me see if we understand the story. What was Billy Hoffa charged with at the time?

Mr. SCOTT. That I couldn't tell you.

Mr. KENNEDY. Armed robbery, Mr. Chairman.

The CHAIRMAN. Do you recall he was charged with armed robbery?

Mr. SCOTT. I believe he was. I think it was for breaking into a jewelry store.

The CHAIRMAN. At any rate, the law enforcement officers were looking for him to arrest him?

Mr. SCOTT. Yes, sir.

The CHAIRMAN. And his brother, Jimmy Hoffa, arranged with you to hide him out?

Mr. SCOTT. Yes, sir.

The CHAIRMAN. As a fugitive from justice?

Mr. SCOTT. That is right.

The CHAIRMAN. And you did it?

Mr. SCOTT. Yes, sir.

The CHAIRMAN. You put him in a hotel?

Mr. SCOTT. Yes, sir.

The CHAIRMAN. He and his wife.

Mr. SCOTT. Yes, sir. They had 1 or 2 children with them there.

The CHAIRMAN. But you managed to keep him in that hotel for how many months?

Mr. SCOTT. Two or three months.

The CHAIRMAN. During that time, the hotel bill, I assume for the room and food any everything else, was sent to local 614 for payment.

Mr. SCOTT. That is right.

The CHAIRMAN. And the bills were paid out of union funds.

Mr. SCOTT. Yes, sir.

The CHAIRMAN. That is money that was paid in as dues by the members of the union.

Mr. SCOTT. That is right.

The CHAIRMAN. Also, during that time he received a check or payment of \$75 per week out of union funds as salary?

Mr. SCOTT. Well, I don't know what the salary was for, because he wasn't doing nothing for it, but that is what he got, \$75 a week.

The CHAIRMAN. Granted that is true, if he is a fugitive from justice and staying in a hotel room, I assume there is very little he could do except keep hiding. But he was kept on a salary for hiding out from the law because he was performing no other services.

Mr. SCOTT. He was given \$75 a week for spending money by the local union.

The CHAIRMAN. Besides the union paying the hotel bill?

Mr. SCOTT. That is right.

The CHAIRMAN. Did they charge their meals on the hotel bill?

Mr. SCOTT. That I don't know.

The CHAIRMAN. You don't recall about that?

Mr. SCOTT. No; I don't.

The CHAIRMAN. That was all done at the instructions of Jimmy Hoffa?

Mr. SCOTT. That is right.

The CHAIRMAN. What was Jimmy Hoffa's position in the union at that time?

Mr. SCOTT. Well, he was president of the local union and president of the joint council and president of the State conference of locals.

The CHAIRMAN. Was this matter ever taken up with the union members and did they authorize such payments?

Mr. SCOTT. They didn't know anything about it.

The CHAIRMAN. Do you suppose this is the first time they ever heard of it?

Mr. SCOTT. I imagine it is.

The CHAIRMAN. Now, just a moment, and I am going to let you go ahead, Mr. Counsel, but before I forget to do it I want to go back to this house that was bought and the \$2,000 downpayment made. I believe you said thereafter there was from \$10,000 to \$14,000 spent remodeling it.

Mr. SCOTT. Yes, sir.

The CHAIRMAN. Where is that located?

Mr. SCOTT. At Square Lake, at Lake Orient.

The CHAIRMAN. When was it purchased? Do you remember the time?

Mr. SCOTT. I believe it was 1948.

The CHAIRMAN. In 1948?

Mr. SCOTT. Yes, sir.

The CHAIRMAN. That would be less than 10 years ago.

Mr. SCOTT. Yes, sir.

The CHAIRMAN. Was all of the money handled in cash or were checks given?

Mr. SCOTT. Checks for what, sir?

The CHAIRMAN. Well, you said Mr. Keating, I believe, paid for all of this, the \$2,000 downpayment and also the other money.

Mr. SCOTT. The \$2,000 downpayment, I believe, was made in cash to Lester Tripp, or Leslie Tripp, the real estate man. He was in the same building that the teamsters local union was in.

\$4,500 Jimmy brought out and gave to me, and asked me to have Leslie Tripp put in his wife's name the house, and I took the money in to Leslie Tripp and he put the house in Jimmy Hoffa's name and his wife's name.

The CHAIRMAN. How much did you say you gave him at that time?

Mr. SCOTT. \$4,500 in cash.

The CHAIRMAN. Where did you get the cash?

Mr. SCOTT. From James Hoffa.

The CHAIRMAN. Was there any record made of that expenditure on the union books?

Mr. SCOTT. Jimmy gave me the cash money, and I don't know whether he got it from his local union or where he got it.

The CHAIRMAN. Well, I thought you said the \$10,000 to \$14,000 paid out for remodeling the house, I thought you said that was handled by Mr. Keating?

Mr. SCOTT. It was.

The CHAIRMAN. And you had personal knowledge of that?

Mr. SCOTT. I had knowledge of all of the bills on it because they came into the office for lumber, and knotty pine, and stuff of that sort.

The CHAIRMAN. Were any of those bills paid by check on the union?

Mr. SCOTT. That I couldn't say.

The CHAIRMAN. You do not recall about that?

Mr. SCOTT. I don't know of any checks, or how he paid for any of that stuff.

The CHAIRMAN. Do you know where the cash came from to pay it?

Mr. SCOTT. No, I don't, and I don't believe Mr. Keating had any \$10,000 or \$14,000 at that time.

The CHAIRMAN. At least Mr. Keating told you that Mr. Hoffa did not give him the money?

Mr. SCOTT. He told me that as late as 3 weeks ago, that Jimmy has never paid him back for the money that he had spent on remodeling that lake cottage.

Senator MUNDT. While we are going back and reviewing some of your testimony over again, you said that Billy Hoffa wanted to get in the rackets or some friend of his had tried to get you to make a fix so he could get in the rackets.

You said you didn't want to do that because he was a member of your union, and furthermore, you said he was on parole now from Detroit. I was wondering whether that parole was on this same armed-robbery charge, or did it involve some other arrests?

Mr. SCOTT. I believe it was another arrest. I don't think it was the one case that I knew about. I don't know what the case was, but he was in court in Detroit, and he beat the one case, but I was given to understand that he was still on parole for another case.

Senator MUNDT. The second case was not the one in which you were involved in the hideout, but it was something else?

Mr. SCOTT. Yes, sir.

Senator MUNDT. All right.

Mr. KENNEDY. Mr. William Hoffa has a record: 1938, investigated for assault and battery; 1938, malicious destruction of property; 1938, subsequently felonious assault; 1940, violation of probation; 1942 investigation, and 1942, carrying concealed weapons, sentenced to Jackson State Prison for 1 to 5 years.

He was paroled, and 1944, violation of parole. 1948, he was arrested for armed robbery. Later in 1948, he was tried for armed robbery and found not guilty.

Do you think it might be that one?

Mr. SCOTT. That is the case. When I was hiding him out, that is the case that he was hiding out for because Jimmy told me the police wanted him for something else, and they were going to pick him up.

Mr. KENNEDY. Now, Mr. Chairman, we interviewed Mr. William Hoffa, and he stated, No. 1, that his wife had run away, and that Mr. Tom Burk went out and picked her up, I believe in Reno, Nev., and brought her back, and she stayed only a few days and then left again.

He said that he didn't pay for Mr. Tom Burk's trip, and he thought that Mr. Tom Burk had done it just as a favor, and he thought that probably his brother Jimmy Hoffa knew about it. He said that he had hidden out from the police for a period of time, but that he had hidden out with a relative who is now dead.

Now, the wife incident took place approximately in what year?

Mr. SCOTT. I would say that was some time between 1946 and 1948.

Mr. KENNEDY. Do you know how much, approximately, was paid for the hotel room in which you were hiding Mr. Hoffa out with his wife and 2 children?

Mr. SCOTT. No; I don't.

Mr. KENNEDY. You do not?

Mr. SCOTT. No.

Mr. KENNEDY. But you paid that bill yourself?

Mr. SCOTT. I carried the check over and gave it to the hotel.

Mr. KENNEDY. And also you paid them the \$75 a week for expenses.

Mr. SCOTT. I took the check over to Billy and gave it to him.

Mr. KENNEDY. I just want to ask you a few questions about Mr. Keating, and Mr. Lintean.

Were they receiving some gifts and presents from certain of the truckers in and around Pontiac?

Mr. SCOTT. Well, one trucker in particular.

Mr. KENNEDY. What is his name?

Mr. SCOTT. Mike Kancennell. I don't know how to spell it.

Mr. KENNEDY. He is from the Fleet Carrier Corp.?

Mr. SCOTT. That is right. He always was trying to make some gift. He owned a clothing store in Detroit, and he always wanted me to go down there and get shirts and hats and all of the other haberdashery that a man wears, so I wouldn't even force the contract with him.

Mr. KENNEDY. Do you know if Mr. Keating or Mr. Lintean received some of those gifts?

Mr. SCOTT. I understand that Mr. Lintean did, and I don't know whether Keating did or not.

Mr. KENNEDY. Did he also offer to take you on a trip to Florida?

Mr. SCOTT. Yes. He offered to pay all of my expenses on a trip to Florida, and Louis Lintean told me that he had paid for two trips down to Florida for him.

Mr. KENNEDY. I might say in that connection that Mr. Lintean has admitted to the investigators, although he was not asked before the committee, he did admit in the first interview that he had had one trip paid for by Mr. Kancennell.

Mr. SCOTT. He went down there twice, and he told me, and I am just telling you what he told me, that both trips were paid by Kancennell.

I would like to say at this time that Leon Hereldson had one trip down there, and that was supposed to be paid by Kancennell.

Mr. KENNEDY. Who is Leon Hereldson?

Mr. SCOTT. He is president of the local 614.

Mr. KENNEDY. Now, they also had automobiles supplied to them, Mr. Keating did?

Mr. SCOTT. Mr. Keating and Mr. Lintean and Mr. Hereldson had their cars bought by the local union. I never had the local union at any time buy a car for me.

Mr. KENNEDY. Was there a car also for Mr. Keating's wife purchased out of local union funds?

Mr. SCOTT. He had an Oldsmobile, and he gave that to his wife, and then he had a Cadillac.

Mr. KENNEDY. Did Mr. Lintean charge the gasoline used by his family and his brother and his mother to the local?

Mr. SCOTT. Yes; he did.

Mr. KENNEDY. And you saw the bills on that?

Mr. SCOTT. Yes; he did, and I was an officer at the time and I raised the dickens about him charging his brother's and his wife's gasoline to the local union, and he denied that they were charging it. So I had the gas man put down the numbers of the car on the gas slips and the cars belonged to his mother and to his brother.

Senator MUNDT. Did the union membership authorize the purchase of these cars in some kind of a resolution?

Mr. SCOTT. At no time. When I first went to work for the local, it was paying \$75 a week, and that is all they paid for. They didn't pay for any cars or never authorized the business agents to buy cars.

Senator MUNDT. We had a fellow in here the other day, Mr. Scott, and I am not sure whethere this was in your local or not, but he had a whole series of bills showing charges of over \$700 for dinners for himself and his secretary.

Mr. KENNEDY. That is Minneapolis.

Senator MUNDT. Now, I ask you, in your experience as a local officer, is it customary for the local union to provide in the town where the official works, for his board and room in addition to his salary? Is that something usual?

Mr. SCOTT. I would say, while I was working as a business agent out in Pontiac, that we were supposed to pay for our own meals.

Senator MUNDT. In other words, if you were sent to some other town, normally I presume the union would pay for your food, but when you are at home you pay for your own?

Mr. SCOTT. Out of town they pay not only the food bills, but all other expenses.

Senator MUNDT. Surely. I think you testified that the membership itself had never authorized the purchase of these automobiles. How about the executive committee or the officers? Was there anything in the minutes to indicate that they took some official action or how this thing was handled?

Mr. SCOTT. As I testified, there were never any minutes kept of an executive board meeting until I went with the local. Then a week or 2 weeks or 3 weeks after the meeting, a recording secretary would put down what he wanted to put in the minutes.

Senator MUNDT. Under those arrangements, I suppose if you had said to your other officials, "I want a Cadillac, too," probably they would have bought you one; is that right?

Mr. SCOTT. I will testify that I had a Cadillac, but I paid for it myself. I had two vices; one was clothes and the other was a car.

Senator MUNDT. A Cadillac vice is not a bad vice, if you can afford it.

Mr. SCOTT. I was not married at that time.

Senator MUNDT. That means that you could afford it better than you can now?

Mr. SCOTT. Yes.

The CHAIRMAN. I would like to inquire about the financial records kept at that time by local 614.

Mr. SCOTT. The only records that were kept were what was paid for by check, and that was kept in the checkbook, and that is the only record that was kept.

The CHAIRMAN. Was any record kept of the amount of dues received?

Mr. SCOTT. They had a daily cash receipts book, and they kept in that what they received every day, and then they made a monthly statement to the international. Well, the international sent an auditor out there one time and I couldn't tell you how much back per capita tax they had to pay.

The CHAIRMAN. In other words, the international was interested in seeing that it got its share of the dues paid in?

Mr. SCOTT. They were interested in their per capita tax of every member that belonged. Per capita tax must be paid on that member.

The CHAIRMAN. And this local got far behind in paying the per capita tax to the international?

Mr. SCOTT. That is right.

The CHAIRMAN. Now, with respect to expenditures, you said they did keep for such checks as they issued, of course, they kept a record of that, the check stubs, I assume.

Mr. SCOTT. After the checks came back from the bank they again pasted them back in the check book on the stub of which they were drawn.

The CHAIRMAN. For cash expenditures, did they keep any vouchers or anything to indicate what those expenditures were for?

Mr. SCOTT. That was kept on a daily cash sheet, too.

The CHAIRMAN. I said did they have any vouchers showing what they paid the money out for, any receipts or vouchers?

Mr. SCOTT. Sometimes they did and other times they didn't.

The CHAIRMAN. In other words, Mr. Scott, what I am trying to find out is this: Did they keep financial records that reflected how they spent and used all of the union funds?

Mr. SCOTT. No, they didn't.

The CHAIRMAN. In other words, an auditor going in there couldn't tell from the records kept, or he couldn't get an accurate picture of the expenditures to know whether those expenditures were paid for legitimate union purposes?

Mr. SCOTT. Not at that time, he couldn't.

The CHAIRMAN. You, of course, don't know about it since you have been away?

Mr. SCOTT. No, I don't.

The CHAIRMAN. Would you say that most of the money that was received, or rather, most of the money expended was expended by checks or expended in cash?

Mr. SCOTT. Well, they had a way of spending it in cash. In other words, they would make a check out to someone, and then that someone would cash the check and give the money back to the officer, and he could spend it then as he saw fit.

The CHAIRMAN. Either on himself personally for his own pleasure, or for union purposes?

Mr. SCOTT. Well, that would come under the heading, "as he saw fit." I would say.

The CHAIRMAN. I was trying to place a little emphasis on what he might see fit to do. The check, then, showing a payment to the individual to whom the check was drawn would show that it was paid for a certain purpose on the checkbook; is that correct?

Mr. SCOTT. Sometimes it would and other times it wouldn't. I would say that it wasn't always correct, the notation they put on the checkbook.

The CHAIRMAN. When they make a check to somebody for \$500, and that person would cash the check and give the money back to an officer, the checkbook would reflect the expenditures of \$500 out of the funds.

Now, in entering that check or making a record of the purpose for which it was given, you say sometimes they would make false entries. In other words, they wouldn't say "This check was given so we could get cash"?

Mr. SCOTT. Would you repeat that, please, Senator?

The CHAIRMAN. I am just using this as an illustration. Suppose they wanted, or the officer wanted to get \$500 in cash. He would write a check out to someone and make it payable to some other

person. The other person would endorse or cash the check and give that money back to the official, as I understand it.

Mr. SCOTT. That is right.

The CHAIRMAN. In other words, that was the device used to get the money out of the union treasury.

Mr. SCOTT. That is right.

The CHAIRMAN. And in doing that often they would make false entries as to the purpose of issuing the check in the first place?

Mr. SCOTT. That is right.

The CHAIRMAN. In other words, they would not enter on the book or make any record that would give that information to others that this check was written solely to get cash to put in the pockets or in the hands of a union official so that he could spend the money as he saw fit?

Mr. SCOTT. I will say that the entry on the book does not always register what the money is used for or who it went to. In other words, they can put anything on the checkbook that they want to put there and that is the way they do it.

The CHAIRMAN. In other words, the records they keep are falsified. They are not accurate and not proven.

Mr. SCOTT. No, sir.

The CHAIRMAN. You spoke of threats that you say some years ago shortened the life of your wife and you spoke of two threats just recently, last week, I believe. Is that correct?

Mr. SCOTT. That is correct.

The CHAIRMAN. Have they ever actually undertaken so far as you know to commit any violence upon you?

Mr. SCOTT. Not yet they haven't.

The CHAIRMAN. Did you regard these telephone calls last week as threats against you if you came here and testified?

Mr. SCOTT. I did.

The CHAIRMAN. Are you apprehensive now that they may commit violence or undertake to do you some harm?

Mr. SCOTT. They might try it.

The CHAIRMAN. I assume then you are not very much afraid.

Mr. SCOTT. Well, I am, myself, not afraid of them. I have a little daughter that I am worried about.

The CHAIRMAN. You think they are capable of doing you physical harm and committing violence upon you or doing harm to your family?

Mr. SCOTT. Have you ever seen many of the business agents from the teamsters union? If you have, you know how big they are and how strong they are.

The CHAIRMAN. Yes, sir; we have been seeing a few of them here. I was just trying to get the true picture in your situation because I wish to announce at this time, sir, that this committee will do everything in its power and bring to bear every influence and force of law and law officials that it can command to give you and your family protection.

If you receive any other threats or any other call or anything to intimate that you are being threatened or that you may be in danger, I ask you to report it to this committee at once and we will do everything in our power.

Mr. SCOTT. I can truthfully say that I already have been given some protection by this committee.

The CHAIRMAN. Thank you, sir. We will continue.

Mr. SCOTT. I thank you.

The CHAIRMAN. Is there anything further?

Senator MUNDT. Mr. Scott, when did you leave your office in the teamsters and under what circumstances? Were you defeated in an election, discharged, or did you resign?

Mr. SCOTT. I was elected in 1932. I was the only candidate that did not have any opposition. The fellows was not angry at me at any time. They said I did a good job.

Senator MUNDT. Did you mean 1952?

Mr. SCOTT. But in 1952, when I resigned, Jimmy Hoffa was very mad because I quit. He said if I quit he would break both my arms and my legs. I was removed as the vice president of local 614 by Jim A. Hoffa through Dan Keating.

Senator MUNDT. I am getting a little confused. You quit some other job. You quit as secretary-treasurer?

Mr. SCOTT. Yes.

Senator MUNDT. You voluntarily quit. Then they removed you as vice president?

Mr. SCOTT. That is right. He didn't have any authority at any time to remove me. He tried to trump up some charges but I was never notified of any charge against me and I was just on his say-so removed.

Senator MUNDT. How did he get this job done? What right did he have to remove you? He didn't have the authority.

Mr. SCOTT. When you work for Jimmy Hoffa, you either do what he tells you to or you don't work for him.

Senator MUNDT. So he coerced somebody else who did have authority.

Mr. SCOTT. The president of the local.

Senator MUNDT. What is that?

Mr. SCOTT. Dan Keating, who was president of local 614 about 6 months after I quit the federation job; at that time I was also a vice president of the executive board of the local 614.

I tried to find out from Dan when there was an executive board meeting, but I could never find out and they never had any date set. You never had a regular meeting in that local. Then about 6 months afterward I was told I was no longer a vice president.

Senator MUNDT. That was about 1953.

Mr. SCOTT. It was in February of 1953.

Senator MUNDT. At that time did you then get appointed to this present position as a member of the barber inspection?

Mr. SCOTT. No; I didn't.

Senator MUNDT. What did you do in the interim from 1953? When did you get this appointment?

Mr. SCOTT. I got it in 1953 in September.

Senator MUNDT. It was the same year that you lost your job?

Mr. SCOTT. Yes.

Senator MUNDT. That is what I mean. That is a full-time job?

Mr. SCOTT. That is.

Senator MUNDT. You are a member of that board now?

Mr. SCOTT. Yes; I am.

Senator MUNDT. You haven't told us one thing yet. What was it that went on in the mind of Mr. Scott that induced him to resign? You had a good, powerful position in the labor movement. You were a vice president, you were a secretary-treasurer, you were in the State federation. Was it qualms of conscience?

Mr. SCOTT. I resigned on July 2, 1952, because Jimmy and Bert Brennan came to an executive board and suggested to the executive officers of the Michigan federation that they change the constitution. At that time under the constitution the only place that could be changed was in the convention. They, in turn, changed the constitution, so I quit.

Senator MUNDT. They changed it apparently pretty violently or for some reason that you disapproved of. Could you dilate on that a little bit?

Mr. SCOTT. They did a lot of things that I didn't approve of. But every time I voiced my disapproval I had an argument with Jimmy and Bert Brennan. They said I was dictatorial. I said that they were a hell of a lot more dictatorial than I was, and that they were not going to change the constitution on me because I was just elected and if they wanted to change it they should have changed it in convention.

Senator MUNDT. What particular change did they consider so important that they would do it in this extra-legal manner?

Mr. SCOTT. They were transferring my duties over to another fellow.

Senator MUNDT. In other words, they were apparently trying to take away from you your power to stand in the way of the things they were trying to achieve. Would that be a fair analysis?

Mr. SCOTT. Yes; it would.

Senator MUNDT. Quite understandably you were not going to let them get by with that and when they did it without sanction of convention, when they did it in an extra-legal manner, you quit and a few months later they had you fired from your last remaining connection with the teamsters.

Mr. SCOTT. At the time I quit, one of the vice presidents wrote out his resignation.

Senator MUNDT. Who was he?

Mr. SCOTT. But he took it back because he got about \$1,400 from the local union or from the Michigan Federation of Labor that he was not entitled to.

Senator MUNDT. Who was that?

Mr. SCOTT. He is now dead; John Fitzgerald.

Senator MUNDT. Speaking as one member of the committee, I want to salute a man who stands by his principles and convictions to the point where you are willing to resign from what probably was a lucrative job—at least it sounds like a lucrative job to a country boy from South Dakota—I salute you for standing by your guns.

Mr. KENNEDY. I have just a couple of questions.

Going back to Turk Prujanski—

Senator MUNDT. I am saying that as a Republican, and even though you are a Democrat.

Mr. SCOTT. I haven't testified yet to what I am.

Senator MUNDT. Some things this committee knows without getting it from the lips of the witness.

Mr. SCOTT. Oh.

Mr. KENNEDY. Mr. Scott, in connection with the information you received from Mr. Kehoe regarding Turk Prujanski, where would you meet Mr. Kehoe to receive that information?

Mr. SCOTT. I would meet him in his room at the Fort Shelby Hotel.

Mr. KENNEDY. Could you tell the committee who had the room next door?

Mr. SCOTT. It was a member of the State police.

Mr. KENNEDY. Who was working on this matter?

Mr. SCOTT. Yes; it was.

Mr. KENNEDY. He often would hear of the meetings between you and Mr. Kehoe?

Mr. SCOTT. That is right.

Mr. KENNEDY. The second thing I want to ask you about is on the question of the delegates to the national convention.

Were you ever appointed as a delegate to the national convention of the teamsters?

Mr. SCOTT. I believe in 1950 when Dave Beck was elected——

Mr. KENNEDY. 1952 that was.

Mr. SCOTT. Well, no, it couldn't have been, because I was still with the teamsters when he was elected out in California. I believe it was 1950.

Mr. KENNEDY. Anyway, were you appointed a delegate?

Mr. SCOTT. I was.

Mr. KENNEDY. My point is, was there any election of delegates at that time?

Mr. SCOTT. No; they weren't. They were appointed by Dan Keating.

Mr. KENNEDY. The rank-and-file members never had any control over that?

Mr. SCOTT. It was never brought up to a meeting of the rank and file.

Mr. KENNEDY. You actually never went to the meeting or convention yourself; is that right?

Mr. SCOTT. That is right.

Mr. KENNEDY. That is all at this time, Mr. Chairman.

The CHAIRMAN. Mr. Scott, whether you are a Democrat or Republican or just a good American, I certainly want to commend you for your courage and express the appreciation of this committee and, I believe, of the rank and file of the teamsters union and all the rank-and-file members of unions everywhere and of the citizenship of this country for the cooperation you have given the committee and for your willingness to be of assistance to those of us who have the responsibility for trying to discover these evil practices and improper practices that are going on, so that your Congress may enact appropriate remedial legislation in the hope that we can prevent these abuses in the future. You have my thanks. I know you have the thanks of every member of this committee and every Member of Congress, and, I think, of the American people. Thank you very much.

Mr. SCOTT. I wish to thank you and the committee, and I would like to offer one suggestion, and that is, if Congress would give to labor-

organization members the right to go into our local courts and get redress it would be a big help in straightening out the labor movement.

They say you should take it up through labor channels, and that is the way the court rules. Well, if you do that, you would never get any redress in the teamsters union.

The CHAIRMAN. You would get it up before a stacked jury to start with.

Mr. SCOTT. If it was made a law that you could go into court and get redress, a lot of the local members would do it, and, on top of it, it would make the local officers realize that they could be taken into court when they did something that was not ethical or right.

The CHAIRMAN. You believe, as I do, and I am sure every member of this committee, Mr. Scott, that, if we can get the control of unionism back in the hands of the rank-and-file members who pay the dues, where they can protect themselves, we will have little trouble getting these things cleaned up; is that correct?

Mr. SCOTT. You would get all the bad influences out of the labor movement, because the rank and file then would have some redress. Right now, the average member will not say anything about his local union because he is afraid of being expelled or kicked out of the union. In addition to saying that, I will say the employers are every bit as guilty as the laboring man.

The CHAIRMAN. When they conspire with them to do these things?

Mr. SCOTT. That is right.

The CHAIRMAN. I agree with you.

Senator MUNDT. Mr. Scott, in order for your court procedure—and it is a very constructive and very persuasive suggestion—I don't know anything about its practicality and I don't want to pass upon it at this time because I want to study it, but it is a new suggestion and it is an intriguing one—for that to become effective, wouldn't you need some kind of collateral legislation requiring unions to keep books and records and to make them available to the individual union member so that he would know when to go into court to seek redress and what to seek it for?

Mr. SCOTT. I will say right now that I am a member of two other local unions. By my local-union membership I am affiliated with internationals. You don't need a new bookkeeping system in local unions or the international. All you need is a right for the local members to take them into court if they don't keep the books the way they are supposed to. It can be compelled by the local membership if he can get redress in our courts. He cannot get redress in the international.

Senator MUNDT. I am simply thinking in terms of how a local teamster, under the conditions that you described to the chairman, when the books were inadequately kept and fictitiously recorded, would know that those conditions prevailed and would, consequently, be able to go to court and to know what to go to court about.

Mr. SCOTT. In local 614, I will say that the rank and file knows what is going on, but they can't get any redress appealing to James Hoffa because they have to first appeal to the local executive board and from there to the joint council and from there to the international.

When they appeal to Jimmy Hoffa, he is the boss of local 614, and he is not going to kick his own men out of office. But, if they could

have got redress in the courts, then something could have been done. The lawyers for the international union claim that the membership did not appeal through the regular procedure channeled by the constitution. But Jimmy can do anything he wants to contrary to the constitution, and who are you going to appeal to?

Senator MUNDT. I think we probably should round out the record, since you mention that you are a member of two other unions. Have you identified the unions of which you are presently a member?

Mr. SCOTT. I am a member of the barbers union and I am a member of the State, County and Municipal Employees Union.

Senator MUNDT. Thank you.

The CHAIRMAN. Just one other question. I have received, since this committee came into existence and I think sometime before, a great many letters from rank-and-file members in which they point out that if they complain they will lose their job. In other words, that the business agent has the power to assign them to work. If they complain, if they don't get along with the business agent, they are denied the right to work. I wish you would comment on that and, from your experience and knowledge, tell us if that practice prevails.

Mr. SCOTT. I am sorry to say that when I worked for the teamsters union I was compelled to have a fellow fired because he objected to the way the local was run, although I was able to, later, get him re-employed. But he had lost his seniority.

The CHAIRMAN. Who caused you to fire him?

Mr. SCOTT. Dan Keating, because he was questioning Dan on the way—about how some things were run in the local. Dan said, "Go down to the employer and tell him, Kapsonell, to fire this man." His name was Miller.

The CHAIRMAN. In other words, they can go to the employer, and that is one of the practices that have been reported to me, and say simply, "You must get rid of this man; otherwise, we will give you trouble."

Mr. SCOTT. That is right.

The CHAIRMAN. They use that coercion to force the employer to discharge the man, and then he loses his job.

Mr. SCOTT. If, the next day, you went down to tell the employer to enforce the contract, he would tell you right to your face, "Well, I did you a favor yesterday; forget about the contract."

Senator MUNDT. What would happen if the employer told you, when you went down to get the man fired, "Go jump in the lake; you have no right to get him fired."

Mr. SCOTT. I have never seen or heard tell of an employer talking to a business agent that way.

Senator MUNDT. Maybe that is because we need a little more intestinal fortitude on the part of some of the employers. Suppose they had done it. What would happen to the employer? Anything?

Mr. SCOTT. They could take retaliation against the employer. They could stop his production the next day.

Senator MUNDT. Do you think they would?

Mr. SCOTT. Some would.

Senator MUNDT. Do you think it is the fear that they might that induces the employer to go along with these unfair practices against an individual workingman?

Mr. SCOTT. I think honestly that the employer is more to blame than the union official because in substance, take myself—I never was accustomed to making over \$100 a week. If you take the average fellow that becomes a business agent and paid him \$100 a week and then the employer starts flaunting him in the face with vacations and nice clothes and money and stuff of that sort, he is very apt to take it. There is not too many that will not take it.

Senator MUNDT. So that is a common practice, as you describe it. The employers keep in the good graces of the business agent because they can shut him up if they want to or cause him a lot of difficulty.

Mr. SCOTT. It is not a question of keeping him in good graces; it is a question of dollars in his pocket.

Senator MUNDT. That is right. But the thing that motivates him to keep in the good graces of the business agent is the expectation of more dollars in his pocket as an employer.

Mr. SCOTT. That is right.

Senator MUNDT. So he buys him vacations, suits of clothes, entertains him, and does him favors when he wants some good workman fired because of some union problem. He fires him, because by doing that he can make more money for himself.

Mr. SCOTT. He does make more money by himself.

Senator MUNDT. It is a reprehensible practice on the part of the employer, I want to say.

Mr. SCOTT. Yes, sir.

Mr. KENNEDY. I mentioned before the fact that next door to Mr. Kehoe where there was a State policeman, that man is working at his job and he is no longer with the State police.

Mr. SCOTT. No, he isn't.

Mr. KENNEDY. And he has not been with them for some years.

Mr. SCOTT. No, he hasn't.

Mr. KENNEDY. That is all.

The CHAIRMAN. Thank you very much, Mr. Scott.

Mr. KENNEDY. Mr. Turk Prujanski.

The CHAIRMAN. The Chair will announce for the information of any who might be under some other impression, Mr. Scott remains under subpoena of this committee and any molestation or any threat will be in contempt of the Congress of the United States.

Stand and be sworn, please, sir.

Do you solemnly swear that the evidence you shall give before this Senate Select Committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. PRUJANSKI. I do.

TESTIMONY OF HERMAN PRUJANSKI, ACCOMPANIED BY HIS COUNSEL, JEROME WEBER

The CHAIRMAN. State your name, your place of residence and your business or occupation.

Mr. PRUJANSKI. Herman Prujanski, 1730 North Sycamore, Hollywood, Calif.

The CHAIRMAN. Your occupation?

Mr. PRUJANSKI. Not working at the moment.

The CHAIRMAN. What is your past occupation?

Mr. PRUJANSKI. Bar owner, club owner, personnel management.

The CHAIRMAN. You have counsel present?

Mr. PRUJANSKI. Yes, sir.

The CHAIRMAN. Counsel, identify yourself for the record.

Mr. WEBER. My name is Jerome Weber. I am an attorney from Los Angeles, Calif.

Mr. KENNEDY. Mr. Prujanski, you lived and worked in Detroit for a period of time?

Mr. PRUJANSKI. Yes; I did.

Mr. KENNEDY. You were there in 1945?

Mr. PRUJANSKI. Yes; I was.

Mr. KENNEDY. You operated a bar there in 1945?

Mr. PRUJANSKI. Yes; I did.

Mr. KENNEDY. During that period of time you appeared before a grand jury, the Murphy grand jury?

Mr. PRUJANSKI. Yes; I did.

Mr. KENNEDY. And did you testify before that grand jury in connection with Mr. James Hoffa?

Mr. PRUJANSKI. Yes; I did.

Mr. KENNEDY. And you testified in connection with Mr. Orin DeMass?

Mr. PRUJANSKI. I don't remember that, sir.

Mr. KENNEDY. You testified in connection with Mr. James Hoffa. You remember that?

Mr. PRUJANSKI. I don't remember that.

Mr. KENNEDY. You said you remembered it, Mr. Prujanski. You just said you testified in connection with Mr. James Hoffa.

Mr. PRUJANSKI. I got ahead of myself. I don't remember that. I don't remember who I testified to at that time. It was 11 years ago.

Mr. KENNEDY. Let us go through it. Did you mention Mr. James Hoffa's name in the grand jury?

Mr. PRUJANSKI. I don't remember that, sir.

Mr. KENNEDY. Do you remember testifying that you paid Mr. James Hoffa between \$5,000 and \$10,000?

Mr. PRUJANSKI. I don't remember that.

Mr. KENNEDY. You deny that you testified to that?

Mr. PRUJANSKI. I don't remember it, sir.

Mr. KENNEDY. You paid Mr. James Hoffa between \$5,000 and \$10,000 which was to go to Mr. Orin DeMass of the liquor commission.

Mr. PRUJANSKI. I definitely cannot remember that.

Mr. KENNEDY. You do not remember?

Mr. PRUJANSKI. No, sir.

Mr. KENNEDY. Do you deny that you testified to that effect?

Mr. PRUJANSKI. I don't remember.

Mr. KENNEDY. You don't deny it?

Mr. PRUJANSKI. I don't deny it and I can't remember it.

Mr. KENNEDY. You can't remember anything about it?

Mr. PRUJANSKI. No, sir.

Mr. KENNEDY. Do you remember what you testified to before the grand jury?

Mr. PRUJANSKI. No; I do not.

Mr. KENNEDY. You don't remember anything about it?

Mr. PRUJANSKI. No, sir.

The CHAIRMAN. When did your memory fail you? We are having some phenomenal losses of memory around here. You should know at least when it fails you.

Mr. PRUJANSKI. I have had an accident about a year and a half ago.

The CHAIRMAN. What was the accident? To what part of your body?

Mr. PRUJANSKI. All parts of my body. I was laid up for about 4 months and practically was very, very sick and it is a long, long time. It is a hard way to remember.

The CHAIRMAN. Do you remember when you were born?

Mr. PRUJANSKI. No; I don't.

The CHAIRMAN. Were you there?

Mr. PRUJANSKI. I don't remember.

The CHAIRMAN. Do you remember anything in your past life prior to the time you were injured?

Mr. PRUJANSKI. A few things.

The CHAIRMAN. Do you remember going before that grand jury?

Mr. PRUJANSKI. Yes; I do remember that.

The CHAIRMAN. You do remember that. So the little accident didn't completely destroy your memory; did it?

Mr. PRUJANSKI. Not completely; no, sir.

The CHAIRMAN. Now, let us get inside the grand jury. Were you sworn there as you were sworn here? Do you remember that?

Mr. PRUJANSKI. I don't remember that.

The CHAIRMAN. Do you remember whether you were asked any questions?

Mr. PRUJANSKI. I was asked so many questions by so many people I can't remember anything that was said.

The CHAIRMAN. Were you asked questions?

Mr. PRUJANSKI. I imagine I was.

The CHAIRMAN. Not your imagination. Don't you know you were?

Mr. PRUJANSKI. I still say I imagine I was, sir.

The CHAIRMAN. Let us imagine a little further. Can you imagine you were asked questions about Jimmy Hoffa?

Mr. PRUJANSKI. I don't remember what was said there. I can't remember those. I just can't remember.

The CHAIRMAN. You just can't remember?

Mr. PRUJANSKI. No, sir.

The CHAIRMAN. Proceed, Mr. Counsel. I am going to desist, I don't mind telling you. Proceed and ask him these questions. I think we have a remedy for this.

Mr. KENNEDY. According to the information that we have that has been verified, Mr. Prujanski testified that he paid to Mr. James Hoffa several thousand dollars in connection with having his liquor license restored. Is that true or not, Mr. Prujanski?

Mr. PRUJANSKI. I don't remember what I talked to him about.

Mr. KENNEDY. I am not asking whether you talked to him about it. Do you remember testifying to that?

Mr. PRUJANSKI. I don't; no sir.

Senator MUNDT. Do you remember ever having your liquor license revoked?

Mr. PRUJANSKI. Yes, sir.

Senator MUNDT. Why was it revoked?

Mr. PRUJANSKI. I think it was taken away for hidden ownership at the time.

Senator MUNDT. Concealed ownership?

Mr. PRUJANSKI. That is right.

Senator MUNDT. Was it subsequently restored? Did you go back in the liquor business later?

Mr. PRUJANSKI. No, sir.

Senator MUNDT. You never got it restored?

Mr. PRUJANSKI. No, sir.

Senator MUNDT. You do remember losing it?

Mr. PRUJANSKI. I remember losing the license; yes.

Senator MUNDT. What did you do after you lost the license to make a living?

Mr. PRUJANSKI. I didn't do anything for a long, long time.

Senator MUNDT. You have been living a long, long time since. You must have done something since.

Mr. PRUJANSKI. Please believe me, I was broke. I practically had no money and borrowed myself silly from everybody in the world trying to get along at the time.

Senator MUNDT. I am not denying that. I am just questioning. You have not been unemployed ever since you lost that liquor license?

Mr. PRUJANSKI. No; I came to California and started to go to work out there.

Senator MUNDT. It is your testimony that you never had employment in Michigan again after you lost the license?

Mr. PRUJANSKI. Yes; I went to work there in a modernization company there.

Senator MUNDT. What?

Mr. PRUJANSKI. Modernization company for a while.

Senator MUNDT. That is when you were a personnel manager?

Mr. PRUJANSKI. No; that came later on.

Senator MUNDT. What did you do at the modernization company?

Mr. PRUJANSKI. I was working there.

Senator MUNDT. Were you a salesman?

Mr. PRUJANSKI. I was a salesman.

Senator MUNDT. You were a salesman for the modernization company?

Mr. PRUJANSKI. That is right.

Senator MUNDT. In Detroit?

Mr. PRUJANSKI. That is right.

Senator MUNDT. For how long?

Mr. PRUJANSKI. For about 3 months.

Senator MUNDT. And then what did you do?

Mr. PRUJANSKI. I didn't do nothing hardly at all. Then I went to work for a few weeks for a juke company, Vince Meli.

Senator MUNDT. What did you do for them?

Mr. PRUJANSKI. I went out and hit locations.

Senator MUNDT. How long did you work for them?

Mr. PRUJANSKI. Just about 30 days or 45 days.

Senator MUNDT. Then you quit that job?

Mr. PRUJANSKI. Yes, sir.

Senator MUNDT. What did you do then?

Mr. PRUJANSKI. Then I think I went to California right after that.

Senator MUNDT. You had two jobs after you lost the liquor license. One was with the modernization company as a salesman for 90 days, then after a brief period of unemployment, with the jukebox company for 30 to 60 days. You had no other employment in Michigan, and then you went to California?

(The witness conferred with his counsel.)

Mr. PRUJANSKI. I can't remember that.

Senator MUNDT. You remember those two jobs?

Mr. PRUJANSKI. I remember working for Bill Buffalino for a few weeks.

Senator MUNDT. In the jukebox company?

Mr. PRUJANSKI. No. I went out with Bill for a few weeks, but I never got paid for it. I just went out with him.

Senator MUNDT. What kind of work was that?

Mr. PRUJANSKI. He was at that time more or less president of jukeboxes and he was organizing gas stations at the time.

Senator MUNDT. This was the second jukebox job?

Mr. PRUJANSKI. No. This is as his nephew or his brother-in-law, rather.

Senator MUNDT. You gave another name in connection with the first jukebox company.

Mr. PRUJANSKI. Vince Meli.

Senator MUNDT. Is that the one Buffalino was with?

Mr. PRUJANSKI. No; Buffalino was president of the jukeboxes. I met Buffalino through Vince Meli.

Senator MUNDT. So after you quit working for Vince Meli you went to work for Buffalino?

Mr. PRUJANSKI. I wouldn't say it was work. I went out with him for a while, 3 or 4 weeks, and tried to get in the union and tried to get a job and it didn't materialize.

Mr. KENNEDY. Did Vince Meli own this bar that you were operating?

Mr. PRUJANSKI. No, sir. The bar was owned by myself and Lou and Sam Bernstein.

Mr. KENNEDY. You say you were working for Vincent Meli for a while?

Mr. PRUJANSKI. Yes.

Mr. KENNEDY. And then you were working for Mr. Buffalino. Was he with the union or an operator?

Mr. PRUJANSKI. He was with the union.

Mr. KENNEDY. You started working for the union?

Mr. PRUJANSKI. I never worked for the union.

Mr. KENNEDY. You worked with Mr. Buffalino?

Mr. PRUJANSKI. I worked with him trying to get in the union, sir.

Mr. KENNEDY. You can remember those incidents, can you?

Mr. PRUJANSKI. Yes, sir.

Mr. KENNEDY. Can you remember when you appeared before the grand jury and gave this information, and subsequently you left for California? Right after appearing before that grand jury?

Mr. PRUJANSKI. Yes.

Mr. KENNEDY. Why did you go to California?

Mr. PRUJANSKI. At that time I left for California because I was not feeling too good. I had lung trouble before this and my dad was not feeling good.

Mr. KENNEDY. Your dad was not feeling good?

Mr. PRUJANSKI. No, sir.

Mr. KENNEDY. Was he in California?

Mr. PRUJANSKI. No, sir; he was here in town.

Mr. KENNEDY. In Detroit?

Mr. PRUJANSKI. In Detroit, in a hospital.

Mr. KENNEDY. You thought you would make your father feel better by you going to California?

Mr. PRUJANSKI. Oh, no; no, no.

Mr. KENNEDY. I don't understand the fact that he didn't feel well and was in a hospital in Detroit and that would make him improve by you going to California.

Mr. PRUJANSKI. Let me put it this way. After I lost my bar, I figured I had nothing left in the city of Detroit, and I had been in California before and I knew quite a few people out there. I figured I would see what I could do. I just took a trip out there. When I was in California after the grand jury, at that time I was taken in by the FBI on a fugitive warrant and brought back to Detroit.

Mr. KENNEDY. For what reason?

Mr. PRUJANSKI. At that time they claimed I was a fugitive.

Mr. KENNEDY. That you had fled to California?

Mr. PRUJANSKI. That I fled to California trying to avoid testifying before the grand jury.

Mr. KENNEDY. It was not that Hoffa and his people approached you and told you to go to California?

Mr. PRUJANSKI. They absolutely did not.

Mr. KENNEDY. You just went to California?

Mr. PRUJANSKI. That is right.

Mr. KENNEDY. That is because your father was not feeling well.

Mr. PRUJANSKI. I was disgusted. I was not feeling well. I lost my bar. I had nothing to live for in Detroit. I wanted to go to California and take my mother and dad, which I eventually did.

Mr. KENNEDY. You came back on the fugitive warrant?

Mr. PRUJANSKI. Yes; I did.

Mr. KENNEDY. Did you testify then what you knew about Mr. Hoffa?

Mr. PRUJANSKI. No; I didn't.

Mr. KENNEDY. What did you do then?

Mr. PRUJANSKI. At that time I got 60 days for contempt of court.

Mr. KENNEDY. Why?

Mr. PRUJANSKI. Refusing to testify.

Mr. KENNEDY. You refused to testify then?

Mr. PRUJANSKI. That is what they said.

Mr. KENNEDY. Don't you know you refused to testify?

(The witness conferred with his counsel.)

Mr. KENNEDY. You know that?

Mr. PRUJANSKI. I took immunity and pled the fifth amendment.

Mr. KENNEDY. Why did you testify regarding Mr. Hoffa and paying this money to Mr. Hoffa before the grand jury one time and refuse the second time?

Mr. PRUJANSKI. I will tell you the truth. I was so confused at the time. They had my two partners before the grand jury, I do remember that, and they gave all kinds of stories. The next thing I knew I was in front of the grand jury and they were telling me, and I didn't know what they were talking about.

Mr. KENNEDY. What was the confusion?

Mr. PRUJANSKI. I really don't remember.

Mr. KENNEDY. You were brought back on October 22, 1946. I have here your testimony.

What is your full name?

Herman Prujanski.

You have been previously sworn and testified before the grand jury.

Yes; I have.

You originally appeared before the grand jury the 27th of June.

I refuse to answer any more questions.

On what grounds?

On the grounds it might incriminate me.

Mr. KENNEDY. Why would it incriminate you?

That is what it is; I refuse any more questions.

Did you or did you not originally appear before the grand jury on the 27th of June?

I refuse to answer any more questions.

On what ground?

I told you my ground.

On the grounds it might incriminate you?

Liable to. Just as I told you before.

What did you tell me?

I refuse to answer any more questions.

You have been here by virtue of a grand jury subpoena?

Yes, I am.

You have been sworn?

Yes, I have by the court.

Previously and tonight?

I refuse to answer any more questions. I don't want to answer any more questions. I am entitled to my rights, am I not? Throw me in jail. I don't want to answer any more questions.

Do you know James R. Hoffa?

I refuse to answer.

Did you see Mr. Hoffa on or about the 29th of October 1945?

I refuse to answer.

Do you know James Stewart?

I refuse to answer.

Please.

I refuse to answer. I am not going to answer. I am not going to testify.

Do you know Orin DeMass? Don't be so dramatic. Let the record show the witness refuses to answer.

Mr. PAUL. Let him refuse to answer.

The WITNESS. I refuse to answer any questions. Throw me in jail.

Did you make an appointment to see Mr. Stewart at his office in the Police Headquarters Building on or about the 29th of October 1945?

Let me go home. Let me go to sleep. Let me think of this sleep. Let me think this over, please.

Answer my question. Will you answer my question?

Let me go home and go to sleep. I have not slept in three nights. I want to think this over.

Mr. KENNEDY. What were you so worried about if you didn't have any information for the grand jury? You said:

No, I am nervous, tired, believe me. I won't answer any more questions. I am sleepy.

Mr. PRUJANSKI. I don't remember that.

Mr. KENNEDY. You don't remember anything.

Mr. PRUJANSKI. I don't remember that, sir. It was just all confusion.

Mr. KENNEDY. Didn't you tell the police officer, Mr. James Stewart, that you had been threatened?

Mr. PRUJANSKI. Mr. Who?

Mr. KENNEDY. Didn't you tell the police officer that you had been threatened?

Mr. PRUJANSKI. I don't remember telling that to anybody, sir.

Mr. KENNEDY. You don't remember that?

Mr. PRUJANSKI. No, sir.

Mr. KENNEDY. Do you deny that you told him that you had been threatened?

Mr. PRUJANSKI. I don't remember telling him that?

Mr. KENNEDY. Would you deny that you told him that?

Mr. PRUJANSKI. I just don't remember it.

Mr. KENNEDY. It is a very peculiar situation. You had your liquor license withdrawn; you appeared before the grand jury and testified to making this payment to Mr. Hoffa. Shortly after you appeared before the grand jury, you left for California. You stayed in California and were brought back on a fugitive warrant.

The next grand jury you refused to answer all questions on the grounds it might tend to incriminate you. It is a most peculiar set of circumstances, No. 1, and my reciting those for you certainly should refresh your recollection as to what you told the first grand jury.

Mr. PRUJANSKI. There was so much confusion, I was so mixed up at the time, I don't, frankly, remember half the things that I did say. I don't remember half the things that happened.

Mr. KENNEDY. Who were you afraid of?

Mr. PRUJANSKI. I wasn't afraid of anybody.

Mr. KENNEDY. Do you recall this incident when you were out at a racetrack? Two men walked up to you and told you that Jimmy Hoffa said that it would be good for your health to get out of the country.

Mr. PRUJANSKI. I was sitting back here a few minutes ago, and the gentleman who appeared before—I don't know his name—and I happened to hear the remark. I can say this: I remember no such a thing happening at any time.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Isn't it true that Mr. Hoffa and others knew what you testified before the grand jury?

Mr. PRUJANSKI. I don't know that, Mr. Kennedy.

Mr. KENNEDY. You do know that they had information as to what testimony you gave before the grand jury; isn't that right?

Mr. PRUJANSKI. I don't know that.

Mr. KENNEDY. You do not know anything about that?

Mr. PRUJANSKI. No, sir; I do not.

Mr. KENNEDY. You never discussed it with Mr. Hoffa?

Mr. PRUJANSKI. I never saw Mr. Hoffa in the last 11 or 12 years.

Mr. KENNEDY. You saw him before that?

Mr. PRUJANSKI. I used to meet him at certain places with different people. I had practically everybody in the country go to my place of business. It was known as a place for celebrities. I had every kind of class of people there.

Mr. KENNEDY. You said you had no information that Mr. Hoffa was aware of what you would testify before the grand jury?

Mr. PRUJANSKI. No, sir; I don't know anything about it.

Mr. KENNEDY. You don't know anything about it?

Mr. PRUJANSKI. No, sir.

Mr. KENNEDY. You just decided that you would go to California for your health?

Mr. PRUJANSKI. No, I was coming back. I was never subpoenaed by the grand jury.

Mr. KENNEDY. Which one?

Mr. PRUJANSKI. The first grand jury. I was never subpoenaed there. I left and came back. I was intending to go back in a few weeks. I knew I lost the bar. I wanted to go out and see what I could do in California, because I had been in California before and I like California. I figured as far as the city of Detroit is concerned, I was through in the city of Detroit, so I might as well go to California and see what I can do there. When I got there, I stood around for about 6 or 7 weeks and the next thing I knew I was being pulled in as a fugitive. I came back to the city of Detroit, and the next thing I knew I was put before a grand jury, and the next thing I did know I was put in jail for 60 days.

Senator MUNDT. How did you happen to testify to the first grand jury if you were not subpoenaed?

Mr. PRUJANSKI. I don't remember that, sir. I don't know whether I was picked up. I just can't recall whether I was picked up and brought up there.

Senator MUNDT. They would not pick you up unless they subpoenaed you.

Mr. PRUJANSKI. I was never subpoenaed.

Senator MUNDT. Did you volunteer to go before the grand jury?

Mr. PRUJANSKI. I imagine I did. I don't remember that.

Senator MUNDT. You went there in the company of your two partners.

Mr. PRUJANSKI. No.

Senator MUNDT. You said the two partners were in the grand jury room with you.

Mr. PRUJANSKI. My partners were called to the grand jury before I was there.

Senator MUNDT. They appeared separately.

Mr. PRUJANSKI. That is right.

Senator MUNDT. Then you were called to verify or disprove what your partners had said?

Mr. PRUJANSKI. I don't recall that, sir. I really don't.

Senator MUNDT. But you volunteered to go to the grand jury?

Mr. PRUJANSKI. Yes, I did.

Senator MUNDT. Why did you want to go to the grand jury?

Mr. PRUJANSKI. Why did I want to go?

Senator MUNDT. Yes.

Mr. PRUJANSKI. I was asked to go.

Senator MUNDT. If you were asked, you didn't volunteer.

Mr. PRUJANSKI. By that I mean I didn't fight them.

Senator MUNDT. They requested you to come and you went without a subpoena.

Mr. PRUJANSKI. I don't remember seeing a subpoena.

Senator MUNDT. Going in front of a grand jury is not much fun. I was once in front of one in the Hiss case. Shall I understand, then, that somebody in authority in Detroit asked you to come before the grand jury and you went but you went without having a subpoena filed against you?

Mr. PRUJANSKI. I think if I am not mistaken I was called. I was on a vacation at the time with my mother somewhere up in northern Michigan, and I called the bar—I used to check with the bar every day—and I think one of my bartenders, I am not quite sure, told me to come in, that the grand jury was looking for me. I came in and gave myself up.

Senator MUNDT. That is the first time.

Mr. PRUJANSKI. Yes, sir; that is the first time.

Mr. KENNEDY. Mr. Chairman, the situation is this. We have had this testimony from Mr. Scott that he made the contact and received the secret information regarding Mr. Prujanski's testimony. Mr. Prujanski testified before the grand jury that he had paid several thousand dollars to Mr. Hoffa in connection with getting his liquor license restored through Orin DeMass. That the liquor license of Mr. Prujanski had been withdrawn. That subsequently Mr. Hoffa and Mr. Prujanski were indicted for extortion. That Mr. Prujanski left the district, went out to California, was brought back to testify before the grand jury. That he took the fifth amendment before the grand jury, and the indictment against Mr. Hoffa and Mr. DeMass was dismissed on the grounds that the chief witness refused to testify. Mr. Prujanski's memory does not seem to be so bad that he cannot remember and tell this committee what he testified before the grand jury.

Mr. PRUJANSKI. Mr. Kennedy, I was never subpoenaed—rather, I was only called in as a witness at the time. I was not a party to that action.

Mr. KENNEDY. I didn't say that.

Mr. PRUJANSKI. I thought you did.

Mr. KENNEDY. I didn't say you were indicted. Did I say Mr. Hoffa and Mr. Prujanski?

Mr. PRUJANSKI. Yes.

Mr. KENNEDY. I meant Mr. Hoffa and Mr. DeMass, excuse me, who were indicted in connection—

Mr. WEBER. He was the material witness.

Mr. KENNEDY. You were the material witness. When you came back and appeared before the grand jury, you refused to testify and the indictments were dismissed. That is the situation. You won't give us any information on it?

Mr. PRUJANSKI. I can't give you any information if I can't remember.

Mr. KENNEDY. I would think it would be a rather important incident in your life, and you could remember whether you testified that you paid somebody several thousands of dollars, particularly James Hoffa and the head of the Liquor Commission of the State of Michigan. It is not something that happens every day.

Mr. PRUJANSKI. I never paid anybody any money. We never paid anybody any nickel to get our license back or try to get the license back at the time.

Mr. KENNEDY. Did you agree to pay anybody any money?

Mr. PRUJANSKI. I don't remember that. I do remember that we were trying to go to all sources to save the bar, because it was one of the best bars.

Mr. KENNEDY. Do you remember agreeing to pay Mr. Hoffa any money?

Mr. PRUJANSKI. I don't remember that.

Mr. KENNEDY. Did you pay Mr. Hoffa any money?

Mr. PRUJANSKI. Positively not.

Mr. KENNEDY. You can remember that, but you don't know whether you had any discussions?

Mr. PRUJANSKI. I talked to thousands of people trying to save the bar. That is the truth. I tried to talk to anybody about saving that bar. I admit that.

Mr. KENNEDY. There is no reason why you would talk to a labor union official, Mr. Hoffa, about paying him money to save a bar.

Mr. PRUJANSKI. I spoke to an awful lot of people.

Mr. KENNEDY. Do you think it is possible that you did talk to him about paying him some money to save the bar?

Mr. PRUJANSKI. Anything could be possible.

Mr. KENNEDY. That is possible?

(The witness conferred with his counsel.)

Mr. KENNEDY. Mr. Attorney, he can answer the question.

Mr. WEBER. He is trying to be so accommodating I don't want him to attempt to mislead you.

Mr. KENNEDY. This is accommodating.

Senator MUNDT. Let us try it when he is not so accommodating. Let him be Dr. Jekyll for a while.

Mr. KENNEDY. Those are the facts, Mr. Chairman. I just once again point out that I don't believe this is the sort of incident that even in Mr. Prujanski's life happens every day. I would think it would be something that he could remember, and that the ordinary person would remember and he deems that his accident was not so bad that he can't remember some incidents. He can remember that he didn't pay Mr. Hoffa. I would think he could remember whether he had this conversation or not, or whether he testified this before the grand jury. It just does not make any sense at all.

The CHAIRMAN. Did you go before the grand jury the first time before or after you lost your liquor license?

Mr. PRUJANSKI. I think after we lost our liquor license.

The CHAIRMAN. It was after you lost it?

Mr. PRUJANSKI. I think it was. I am not sure.

The CHAIRMAN. Did you ever lose a liquor license on any other occasion except that time?

Mr. PRUJANSKI. The only license I have lost, yes, sir.

The CHAIRMAN. That is the only liquor license you ever lost?

Mr. PRUJANSKI. Yes, sir.

The CHAIRMAN. You went to great lengths and made every effort you could to get it restored.

Mr. PRUJANSKI. Yes, sir.

The CHAIRMAN. That was a kind of serious blow to you; was it not?

Mr. PRUJANSKI. It certainly was. It was my life.

The CHAIRMAN. It was your life. In other words, your livelihood was involved, and you made every effort to get your license back. Now you say you can't remember what you told the grand jury. Do you think anybody believes that?

Mr. PRUJANSKI. Let me put it this way. I went to hundreds of people there. Ask anybody.

The CHAIRMAN. I know, but you didn't go to hundreds of grand juries. You might go to hundreds of people, but you didn't go to hundreds of grand juries. That is the one incident in your life that you know you remember.

Mr. PRUJANSKI. No; I can't remember that, sir.

The CHAIRMAN. You think anybody believes that?

Mr. PRUJANSKI. I don't know.

The CHAIRMAN. Anything further?

Mr. KENNEDY. That is all, Mr. Chairman.

The CHAIRMAN. We have made an issue in one case. I am going to make it in this one. I am going to find out if there is any way to protect the courts and other tribunals and congressional committees against perjury by pretending loss of memory. With the permission of the committee, I am going to again send this record to the Justice Department and ask it to give it every attention.

Senator MUNDT. Mr. Chairman—reserving the right to object, and I am not going to object, because I concur with you completely—may I suggest that if we do that, I think that the Justice Department of the United States should be able to receive from the State of Michigan such cooperation that it will open to them the minutes of this first grand jury, which will prove pretty definitely what the present witness said before the first grand jury. I would suggest that the Department of Justice get the petition from us, and take that as the first step of approach—because if we had been able to obtain the minutes of the first grand jury, we would know exactly what was said by the witness, regardless of his strange loss of memory which seems to have blotted out only the experiences he had before the grand jury and nothing before or after.

The CHAIRMAN. There are two devices being used to obstruct the progress and work of this committee by witnesses who take the fifth amendment capriciously, not in good faith, but who use that device to keep from telling the committee the truth, giving the committee information the committee needs, and that comes within its function, and there are others who are using the device of pretending loss of memory. In my book the first is less reprehensible than the second. I hope that the Justice Department will find some way of handling this matter, and the courts will sustain conviction which it is perfectly obvious from every standpoint of logic and good sense that this device is being employed in this fashion.

Senator MUNDT. I think, now that the witness has been notified, Mr. Chairman, of the intention of the committee, I should ask him this: Do you still contend that you cannot remember what you said to the first grand jury?

Mr. PRUJANSKI. I can't remember what happened at the grand jury; no, sir.

Senator MUNDT. You say that under oath now?

Mr. PRUJANSKI. I certainly do. I cannot remember.

The CHAIRMAN. The witness may stand aside. The committee will take a 5-minute recess.

(Present at the time of taking the recess: Senators McClellan and Mundt.)

(Short recess.)

(Present at the time of resuming the session: Senators McClellan and Mundt.)

The CHAIRMAN. Let us proceed with the next witness.

Mr. KENNEDY. Mr. Bernard L. Bialkin.

The CHAIRMAN. You do solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. BIALKIN. I do.

TESTIMONY OF BERNARD L. BIALKIN AND MARGARET K. BIALKIN

The CHAIRMAN. Be seated. State your name, your place of residence, and your business or occupation.

Mr. BIALKIN. My name is Bernard L. Bialkin, 16662 Cruse, Detroit, Mich. I operate and manage the Cass Auto Wash, Inc., in Detroit city.

The CHAIRMAN. Thank you very much, sir. Do you have counsel present?

Mr. BIALKIN. No, I don't, sir. May I have permission—my wife is here. She has been here throughout this period involved in this thing, and I would like to have her at my side to help me along in any details.

The CHAIRMAN. The request is granted. We are very glad to have your wife come here.

Senator MUNDT. Is it your thought that you might like to have her answer some questions? If so, we should have her sworn.

Mr. BIALKIN. If it is the desire and wish of the committee.

The CHAIRMAN. You may be sworn in the event we need to ask you any questions. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mrs. MARGARET K. BIALKIN. I do.

The CHAIRMAN. You each waive the right of counsel?

Mr. BIALKIN. Yes, we do.

Mr. KENNEDY. Mr. Bialkin, you run an auto wash: do you?

Mr. BIALKIN. Yes.

Mr. KENNEDY. You have had some negotiations with local 985 of the teamsters?

Mr. BIALKIN. No negotiations.

Mr. KENNEDY. You have had some discussions?

Mr. BIALKIN. I have had some dealings with them: yes.

Mr. KENNEDY. That is Mr. William Buffalino?

Mr. BIALKIN. Correct, sir.

Mr. KENNEDY. And local 985 is the union that also handles the coin-operated machines; isn't that right?

Mr. BIALKIN. That is correct.

Mr. KENNEDY. It operates the auto wash and the coin-operated machines.

Mr. BIALKIN. Yes, sir.

Mr. KENNEDY. Mr. Chairman, we have had some testimony yesterday regarding both matters and this will be further information regarding that.

Were you approached in 1951 by Mr. William Buffalino?

Mr. BIALKIN. Yes; toward the end of 1951 we had dealings with Mr. Buffalino; yes, sir.

Mr. KENNEDY. Had he approached your employees about becoming members of the union?

Mr. BIALKIN. To my knowledge; no, sir.

Mr. KENNEDY. He just came to you; is that right?

Mr. BIALKIN. No; let me put it in the proper background and framework. In early 1951 Mr. Buffalino, Turk Prujanski, and others started to make the rounds of the auto washes in the Detroit area in a so-called organizing. This organizing consisted of their request that the owners pay initiation of \$5 per man and \$3 per month dues; in cases where these employers paid that—the employers, not the men, paid that—there were recognition agreements signed between Buffalino's union and the employer. Those that didn't had lots of trouble afterward.

Mr. KENNEDY. What would they do as far as the employees were concerned? Did they actively become members of the union?

Mr. BIALKIN. As testimony was introduced in the circuit court later on, it showed that there was absolutely no contact with the employees.

Mr. KENNEDY. At least initially back in 1951 the situation was that they would just use fictitious names as far as employees were concerned?

Mr. BIALKIN. That is true.

Mr. KENNEDY. Just take any list of names?

Mr. BIALKIN. After the recognition agreements were signed and the money paid to Mr. Buffalino, that was part of the coverup or to get so-called authorization cards with fictitious names so that his records would show he had some nominal employees.

Mr. KENNEDY. For those who did not sign up, there would be a picket line?

Mr. BIALKIN. The threat of picket lines.

Mr. KENNEDY. Did you bring this to the attention of the prosecuting attorney in Wayne County?

Mr. BIALKIN. Yes. A few of us, including my wife, went to the special investigating squad of the police department and they in turn—I think there were about 20 of us—referred us to the prosecuting attorney. We laid the facts before them and a few days afterward were told that they could do nothing. They said if any action were taken, we would have to take it into circuit court on our own.

Mr. KENNEDY. Did you take some further action?

Mr. BIALKIN. Along about June there were 2 or 3 refused—2 or 3 owners refused—to pay him this money that Mr. Buffalino and Prujanski had demanded. A picket line was set up over the weekend. Dexter Auto Wash was one, Spic & Span were another within a period of 2 weeks and a few of us on our own took a show cause order into circuit court showing why this picket should not be enjoined, and the illegal activities banned.

Mr. KENNEDY. Was it banned? What did the court hold?

Mr. BIALKIN. Testimony was taken over a period of, I think, stretching over 4 or 5 weeks—I forget now—in which various people testified as to the payoff—payments to Mr. Buffalino, that his owners' payoffs to Mr. Buffalino, and threats, the fact that there were no employees involved.

Mr. KENNEDY. Yes. You have given us the outline of it. What finally happened?

Mr. BIALKIN. The union asked and an injunction was granted in September 1951, enjoining the union—it was a permanent injunction—enjoining the union from any of these activities. There were some other clauses. The union had to return all of the money that they had collected at that time as far as the people who had been a party to the suit. That was about the extent of it. I have a copy of the injunction if you want it. Excuse me. All of the contracts had been signed under duress were declared null and void.

Mr. KENNEDY. You testified; did you not?

Mr. BIALKIN. No; I did not testify at that time.

Mr. KENNEDY. Did your wife?

Mr. BIALKIN. I was present. We were present at the time.

Mr. KENNEDY. Did your wife testify?

Mr. BIALKIN. No; not at that particular time.

Mr. KENNEDY. Did you receive any threats during this period of time?

Mr. BIALKIN. Yes. The same day that we had made appearance at the prosecuting office, that afternoon Mr. Buffalino came ranting and raving through some two auto washes and he said we were going to get that Mrs. B. My wife had been the only woman among that group, and she evidently stood out and someone informed him—this was supposed to have been all secret—someone informed him that Mrs. B. had been there. He said, "We are going to get that Mrs. B."

Mrs. BIALKIN. Sir; while we did not testify, we were very active in this court case. Mr. Buffalino was well aware of it, and we sat at counsel table.

Mr. KENNEDY. I see. Did you receive any threats yourself?

Mr. BIALKIN. Not at that time.

Mr. KENNEDY. Did you appear before the Coolihan grand jury subsequently, or did something intervene?

Mr. BIALKIN. Yes; something intervened. On or about beginning October 1951, or thereabouts, we suddenly were involved, the wife and myself and 1 or 2 other autowashes, who had been active in this, in a whole bunch of lawsuits in the circuit court. This dragged on for well over a year.

Mr. KENNEDY. What kind of lawsuits?

Mr. BIALKIN. Contempt citations, threats to employees, cheating the men, all fictitious and lies. The courts recognized them as such. As a matter of fact, the case went so badly that in October 1952 the union's attorneys asked for a recess and postponement and never came back. They used perjured testimony.

Mr. KENNEDY. There were charges that the union made against you after that?

Mr. BIALKIN. All means of harassment.

Mr. KENNEDY. Then what happened after that?

Mr. BIALKIN. I believe in 1953 I was subpoenaed and appeared as a witness before Grand Juror Coolihan in Detroit in connection with the investigation of Mr. Buffalino and others and his activities.

Mr. KENNEDY. And you testified at that time?

Mr. BIALKIN. I testified at that time.

Mr. KENNEDY. Did you receive any threats thereafter?

Mr. BIALKIN. No; I did at the time of this trial in Detroit on extortion when I appeared. I was subpoenaed and appeared as a witness.

Mr. KENNEDY. That is Mr. Buffalino's trial for extortion?

Mr. BIALKIN. Mr. Buffalino and others.

Mr. KENNEDY. He was acquitted?

Mr. BIALKIN. He was acquitted.

Mr. KENNEDY. You say you received some threats during that time?

Mr. BIALKIN. Yes, sir.

Mr. KENNEDY. From whom?

Mr. BIALKIN. Mr. Buffalino and Lawrence Welsh, another official of the union.

Mr. KENNEDY. Mr. Lawrence Welsh.

Mr. BIALKIN. Welsh, W-e-l-s-h.

Mr. KENNEDY. He is the gentleman we had testimony about yesterday, Mr. Chairman, that suggested to one of the car owners that he bring his fleet of cars to Mr. Ziggy Snyder's place rather than the place he was bringing them.

What did Mr. Welsh say to you?

Mr. BIALKIN. They caught me in a corridor during recess in court and they told me, "We are going to get you, but good."

Mr. KENNEDY. Then what occurred after that? Did you have any more dealings with the union after that?

Mr. BIALKIN. I didn't have any dealing with the union, no connection either through myself or my attorney, between 1952 and August 22, 1956.

Mr. KENNEDY. What did you hear at that time?

Mr. BIALKIN. On August 22, I received a letter, registered letter, signed by Mr. Buffalino from local 985—I have a copy of it, if you want I can read it or else outline the important details—in which he claimed he represented a majority of the men, the employees.

Senator MUNDT. How many employees do you have?

Mr. BIALKIN. It runs about 16, 17, 18. It varies. He represented a majority of the men, that I had refused to deal and negotiate with him, that he was asking—that he was serving me with a strike notice—and he was asking for an election by the State labor mediation board. A similar letter went out to the State labor mediation board under the same date.

Mr. KENNEDY. Did you go down to the State labor board?

Mr. BIALKIN. May I state this in connection with that letter? The statement that he represented the majority of the men was a complete falsehood as was later proven. That I had refused to negotiate and deal with him was a complete lie. I had not had any dealings with him, either myself or through my attorney, since some time in 1952. That he wanted an election was a complete lie, too, as subsequent events proved.

The CHAIRMAN. The Chair will suggest that you leave a copy of the letter with the committee.

Mr. BIALKIN. Yes, sir.

The CHAIRMAN. Proceed.

Mr. KENNEDY. What happened after that? That was on August 22, 1956, that you received the letter?

Mr. BIALKIN. August 22, 1956, on a Wednesday. I recall it very vividly. I received this letter—it may be interesting—about 10:30 in the morning. By 1 o'clock I received a telephone call from a former employee of mine. He had left me along about January of 1956. He said, "I have just been over to Buffalino and you are going to get a picket line in a few days."

In the meantime when I received the letter I called up my attorney, Mr. Bashara, and I read him the contents of the letter. I said this fellow wants an election. I want you to contact the mediation board and tell them that we agree to an election. We want this election that he claims.

The next day I recall we received a form letter from the mediation board stating that they had received the communication from Mr. Buffalino and they named this mediator that had been appointed to look into the case, and the next thing I know, before I even have a chance to get the letter out, Friday morning at 10 o'clock, I have the picket line in front of my place.

Mr. KENNEDY. That is on August 24?

Mr. BIALKIN. Yes.

Mr. KENNEDY. Two days after you received the letter?

Mr. BIALKIN. Yes, sir.

Mr. KENNEDY. They started picketing your place.

Mr. BIALKIN. They started picketing my place.

Mr. KENNEDY. Were any of your employees on the picket line?

Mr. BIALKIN. Not a one. All of my men were working.

Mr. KENNEDY. All of your men were working?

Mr. BIALKIN. Yes, sir. They arrived in this morning in real storm-trooper fashion, took over half of the block, set up headquarters across the street in a store, Mr. Danny Marvin, complete with amplifier system.

Mrs. BIALKIN. Danny Marvin was a former teamster official and still is, and has a police record.

Mr. BIALKIN. They took over possession of adjacent buildings and stoops, the hotel across the street. Later on the police had to remove them.

Mr. KENNEDY. What did he do then? What steps did he take? Did you try to get an election?

Mr. BIALKIN. Yes, sir. I myself went over about 1 o'clock that same day to the Mediation Board and delivered a letter in which I requested this election that Mr. Buffalino wanted. We sent a telegram to Mr. Buffalino advising him that he was illegally picketing us, not only in violation of the law, but in violation of the permanent injunction that had been granted back in 1951.

Mr. KENNEDY. What occurred then?

Mr. BIALKIN. I could relate some conversations that I had with these people that afternoon. Mr. Welsh told me, he said, "You are never going to get an election from us. If you think you are going to get any relief in the courts, you are mistaken. Judge Neuenfeld is not going to give you any relief." We were told plenty of other things.

Senator MUNDT. What did Mr. Welsh want you to do?

Mr. BIALKIN. May I state the reason why this picket line was set up?

Senator MUNDT. That is what I am trying to find out.

Mr. BIALKIN. It was set up for several reasons. He felt I had been responsible, the wife and myself, for bringing him to court back in 1951 and stopping his activities back then.

Senator MUNDT. Something must have happened in between time, or they would not have waited until 1956 for something that you did in 1951.

Mr. BIALKIN. He had been busy with the courts for one in his extortion trial. He did change his tactics in his organization activities or so-called organization activities in the car-wash business. He no longer went around to the auto-wash owners and asked them to pay the money. He went around to auto-wash owners and under threat of a picket line he forced a good many—and let me tell you there is not a worse threat that a businessman fears than a picket line——

Mrs. BIALKIN. Especially in Detroit.

Mr. BIALKIN. Under threat of picketing, he got a good many contracts signed between the owners and Mr. Buffalino. The men were not involved. These contracts called for collection of 10 cents dues per man per day, which the owner had to turn over each month to the union.

Senator MUNDT. We had a witness here who had been assessed that 10 cents per day.

The CHAIRMAN. You know that goes on.

Mr. BIALKIN. I have seen some of the contracts. That definitely is the case.

The CHAIRMAN. You know the 10 cents a day is exacted out of the workers?

Mr. BIALKIN. Yes; and there were some beautiful clauses put in the contracts whereby the owners lived and got along with Mr. Buffalino, and these contracts were not lived up to. I have heard it over and over again both from owners and employees that have come into my place looking for work.

Mrs. BIALKIN. The men have to pay 10 cents a day for the privilege of working. Mr. Buffalino cannot contact these men. It is through the employer. The employer deducts 10 cents a day for every man that works in his place of business.

Senator MUNDT. Do any of these men participate in union activities?

Mrs. BIALKIN. No. Some have told us that they don't bother to go through the formality of having authorization cards.

Senator MUNDT. The colored boy who testified yesterday said he didn't know he was in the union.

Mr. BIALKIN. That is very often the case. That is what a good many employees told me. The men do not know the terms of these contracts that are signed.

Mrs. BIALKIN. Mr. Buffalino is organizing the owners, forcing them to sign contracts for the employees so that the owner can stay in business. Otherwise there is a picket line as in our case.

Senator MUNDT. It is a system of coercion of the owner.

Mrs. BIALKIN. We can name names of owners who had a picket line of 2 or 3 days and then signed up. One man, Jack Barsha, had a picket line on Friday. On Sunday he signed up. He didn't dare

have the attorney look at the contract. He said he was plainly scared. He said when they come in those big black Cadillacs and those bullies, you would be scared, too.

Senator MUNDT. It must be that you pay your people union wages or better or they would not be satisfied and they would be wanting to get into a union.

Mr. BIALKIN. I do, sir.

Senator MUNDT. There would be no benefit to the men in belonging to the union and in fact, they would be 10 cents a day worse off.

Mr. BIALKIN. It is not only that, they seem to feel so. May I state that the very day that he started picketing me, on August 24, 1956, he signed a contract, Mr. Buffalino signed a contract with Tiger Auto Wash, if I remember correctly.

This place had been picketed for 2 days prior, and the owner told me that the men did not want it, but he just could not take it. The terms of the contract, the minimums, the guaranties, are a whole lot less than my men make without a contract.

The CHAIRMAN. So those contracts are not for the benefit of workers at all?

Mr. BIALKIN. No, sir.

The CHAIRMAN. They are simply another instrumentality of extortion. That is true: is it not?

Mrs. BIALKIN. That must mean for Mr. Buffalino at least \$100,000 a year income.

Mr. KENNEDY. I do not think that you know about that. You have not examined his records.

Mr. BIALKIN. If you figure the number of auto workers, it is cheaper for an employer to sign with Mr. Buffalino than to stand the risk of a picket line because the employer has nothing to lose. It just means making his men pay union dues.

Senator MUNDT. How many men in Detroit did you estimate have to pay this 10 cents per day tax to Mr. Buffalino?

Mr. BIALKIN. I don't know how many, but there are well over 200, maybe close to 300 auto washers in Detroit.

Senator MUNDT. There are between 200 and 300?

Mr. BIALKIN. Yes, sir, and the number of employees varies from 10 to maybe 50 or 60 or maybe more.

Senator MUNDT. You mean there are 200 auto wash businesses?

Mr. BIALKIN. Two hundred to three hundred.

Senator MUNDT. Auto-wash businesses?

Mr. BIALKIN. Yes, sir.

Senator MUNDT. And not employees, but businesses.

Mr. BIALKIN. Yes, sir, in the metropolitan area.

Senator MUNDT. And they would average about how many employees?

Mr. BIALKIN. There are some run as many as 50 or 60 employees a day.

Senator MUNDT. And some run down to 2 or 3?

Mr. BIALKIN. Maybe: I don't even consider those auto washers. You are thinking in terms of gas stations, but the auto washers, about the minimum, I think, runs about 15.

Mr. KENNEDY. I think there are about 200 places, and, according to our records, maybe 15 or 12 is an average of employees. How long did this picket line last, then?

Senator MUNDT. I think I ought to correct the record. I understood you to say there were 200,000. What you said was 200 or 300 auto-wash places.

Mr. BIALKIN. Yes.

Senator MUNDT. Which might have employees up to 50. I did not want to get the record confused. I thought you said 200,000 employees, but you are talking about 200 to 300 auto-wash establishments who employ up to 50 or 60 men each.

Mr. BIALKIN. Yes, sir.

Senator MUNDT. Now, what I was trying to get at, and speaking now as an auto-wash owner, who naturally talks to other auto-wash owners, what percentage of the auto-wash shops would you say have a contract of this kind?

Mr. BIALKIN. I really don't know. I have heard Mr. Buffalino's claims, but, on my own, I do not know how many or what percentage he has.

Senator MUNDT. You are not the only nonunion shop?

Mr. BIALKIN. There are plenty of other nonunion places.

Senator MUNDT. Do you think maybe half of them are nonunion?

Mr. BIALKIN. It could be.

Senator MUNDT. You do not know?

Mr. BIALKIN. I would not know. I have no access to his records. Now, you asked me what reasons he had for picketing me. In about August of 1956, an auto wash half a block away, the Fort Wayne Manor Wash, reopened, and it had been closed for a few months. This place is operated by Ziggy Snyder, a teamster official, and Larry Campbell, who is another business agent for the teamsters, and Mr. Ziggy Snyder's wife, Ethel Snyder.

Before this place opened up, on or about July 30, Mr. William Neff stopped into my place and it happened to be the only time he has been in my establishment. Mr. William Neff is manager of the Patton Garage, and it is a good customer of ours. It was on a Monday morning. Mr. Neff tells me, he says, "Bernie, I am sorry you didn't take that place across the street," "Well," I say, "I never considered it."

He said, "I had a visit from Larry Welch, over the weekend, and Larry Welch is the secretary-treasurer of Buffalino's local.

The CHAIRMAN. Is that the Welch you have been speaking of as a business agent?

Mr. BIALKIN. Lawrence Welch; I don't know if he is a business agent, but he is an official of local 985.

Mr. KENNEDY. He is a business agent.

The CHAIRMAN. At least you know he is an official of that local.

Mr. BIALKIN. Of local 985, the right arm of Mr. Buffalino.

The CHAIRMAN. Does he have a police record?

Mr. BIALKIN. I have been told that he has.

The CHAIRMAN. Is he the man that was convicted of sodomy?

Mr. BIALKIN. I have been told that that is the case.

The CHAIRMAN. I think that we know that.

Mr. BIALKIN. Yes.

The CHAIRMAN. All right, proceed.

Mr. BIALKIN. Mr. Welch had a conversation and Mr. Neff tells me this: He said Welch tells him, he says, "My friends are opening up this auto wash," and he named the name, Fort Wayne Manor Auto

Wash, "and I want you to take all of your business to them when they open up."

Bill Neff tells him, "I am very much satisfied with the service I am getting from Bernie, and I don't see any reason why I have to change." He said Welch says to him, and this is the conversation as Mr. Neff related it to me, on that Monday morning; Welch said to him, "Isn't there anything I can do to change your mind?" And he said, "I don't think so." He said, "Well, maybe a picket line will convince you." So Bill Neff says to me. "Well, we will just wait and see what happens." As I said, on August 1, this place opened up, and 3 weeks later on I have a picket line across the street.

Mr. KENNEDY. How long were you picketed for?

Mr. BIALKIN. I was picketed for well over 9 weeks.

Mr. KENNEDY. Why didn't you get an election of your employees?

Mr. BIALKIN. By all subterfuge, lies, and misrepresentations, the board was not able for several weeks. They weren't able to get Buffalino to agree to even a meeting at the mediation board. He had the excuse that he had to be out in Pennsylvania during all of that time he was out there in front of my line. The very days he claimed he was in Pennsylvania he was out there in front of my place, picketing. When he ran out of that excuse, he had other important business.

Mr. KENNEDY. They filed an unfair labor practice against you?

Mr. BIALKIN. On September 27, Chairman Bowers ordered a hearing in which he requested, or asked, both parties whether they would agree to an election. We agreed to an election, and Mr. Buffalino at that time refused to give an answer. He was told to give an answer on October 1, and they never did. Immediately they filed unfair labor charges against us. We were involved in this long, lengthy proceeding.

Mr. KENNEDY. And the picket line continued during that period?

Mr. BIALKIN. The picket line continued during that time. In the meantime, we were in court at various times, and we got no relief.

Mr. KENNEDY. Did you put signs up yourself?

Mr. BIALKIN. Yes, sir; I did.

Mr. KENNEDY. What did those signs say?

Mr. BIALKIN. May I refer to them, please?

Mr. KENNEDY. I understand Mr. Buffalino is suing you now for what you put on the signs?

Mr. BIALKIN. Yes, sir. I asked my attorney what we could do and he said, "You will just have to sweat it out until we can get the case before the judge." Judge Neuenfeldt was away. At the time it was all beautiful for the part of Mr. Buffalino. I asked him what we could do to advise the public of the true facts, and I erected a sign on Monday, I believe on or about August 17 of 1956, in which I stated the bare essentials of my situation.

Mr. KENNEDY. What did the sign say?

Mr. BIALKIN. I can read it here:

Fraud! Blackmail! These are pro's, don't represent our employees. No labor dispute here. Our men are working. There has been no election.

Mrs. BIALKIN. This sign had been approved by our attorneys and they stated the facts.

Mr. KENNEDY. Was there any other sign that you put up?

Mr. BIALKIN. Yes, I put up other signs.

The CHAIRMAN. That first picture, can you supply it to the committee?

Mr. BIALKIN. Yes, sir.

The CHAIRMAN. It may be made exhibit No. 27 for reference.

(The document referred to was marked "Exhibit No. 27" for reference and will be found in the appendix on p. 5756.)

Mr. KENNEDY. What other signs did you put up?

Mr. BIALKIN. I also painted some signs saying, "Our men working, no strike." Mr. Buffalino was yelling "Strike" and so were his men.

Mr. KENNEDY. Do you have pictures of those signs?

Mrs. BIALKIN. Yes.

Mr. KENNEDY. Could we see those? You wrote some signs yourself?

Mrs. BIALKIN. Yes.

Mr. KENNEDY. And what else happened?

Mrs. BIALKIN. On or about September 17, I myself put up a sign over the driveway, "Let freedom ring. Come in and ring a bell." And I hung a bell up in front of my place. And let me tell you, he went to all extremes to get that bell off and he got the police down, and he threatened to get me in court on that particular item, but that bell stayed up there during all of the time of the picketing.

Mr. KENNEDY. What other kind of signs did you put up?

Mrs. BIALKIN. On September 10, we were scheduled before circuit court and during this time we had initiated adoption proceedings of a baby. On September 10 we were scheduled before probate court.

Mr. KENNEDY. Are you going to get to the other pictures? This is the one of the bell. Did you have any other signs?

The CHAIRMAN. This will be made exhibit 28.

(The document referred to was marked "Exhibit No. 28" for reference and will be found in the appendix on p. 5757.)

Mr. KENNEDY. What other signs did you have?

Mr. BIALKIN. We appeared before probate court that morning in connection, as I said with the adoption proceedings, and we were granted custody of this youngster, this infant.

About 12 o'clock I came back.

Mrs. BIALKIN. That same morning we had to go in for the baby, we had to go to court to appear before Judge Neuenfeldt for the first hearing on our case, but we went for the baby first, naturally. Then she was awarded to us and my husband went to the other court and I went with the baby.

Mr. BIALKIN. I came back to the place and I handed out cigars to the men and I was very happy and I told the men we had a baby and before long word leaked out to the picket line. That afternoon Mr. Welch accosted me as I went out of the door and he said to me, "How is the Mississippi Queen and the Jewish bastard?"

He had been referring all of this time to Mrs. Bialkin as the Mississippi Queen and Mrs. Bialkin had been up to that time down at the place of business. I just kept on talking and I was seething and he followed me around with violent and obscene language, and saying, "I don't like a god damn thing you are doing around this place." Excuse the expression.

The CHAIRMAN. You are on radio, and I believe I would not use that language. Just say he cursed you and called you vile names and vulgar names.

Mr. BIALKIN. He said, "I don't like the signs you have around the place." They had been standing in front of the doors and leering in there with obscene language and I instructed my man to paste up some old posters that I had acquired at a nearby film-screen place, and that morning they had accidentally put a sign up there, "Fireman save my child."

Evidently Mr. Welch didn't like that sign and he complained about the signs. And I said, "I will give you a sign that you will like," and this was Mr. Welch. For years he had been known around Detroit and a good many referred to him as the "Gorilla." I bought a sign from the supply place, and I put it up in its place, over the door, and the title of the picture was, "Gorilla at Large." It referred to Mr. Welch and he knows it, and they all know it.

Mrs. BIALKIN. Mr. Bialkin forgot to mention one thing. When I was down at the place, that door would be opened in the summertime and Mr. Buffalino and Mr. Welch would stand in front of that door, and I would always be in view of that door and they would say things to me or make motions to me.

As a matter of fact, we have a record at one time that I had to call the police because Mr. Buffalino was standing with a man and making motions as they were looking at me. And the police have a record of that. It was a form of intimidation and it bothered me.

So at that time we decided we would cover up the glass door and keep it closed so they wouldn't annoy me.

Mr. BIALKIN. And they annoyed customers inside.

Mrs. BIALKIN. Mr. Buffalino would stand outside and shout things into the place.

Mr. KENNEDY. Mr. Buffalino has filed a libel suit against you and your wife?

Mr. BIALKIN. Yes, sir.

Mr. KENNEDY. For how much?

Mr. BIALKIN. On August 29 he filed a libel suit, he and the union, for some \$100,000 against the wife and myself and it was subsequently reduced. When the courts ruled the union was not a party to this particular suit, it was dropped to \$50,000 between Buffalino and myself and within a week afterward his reputation shot up and he raised it to \$100,000.

In April, around Eastertime, a week after he lost an appeal in the Supreme Court, he filed another \$100,000 suit against me in the name of the union on similar grounds. I have the libel suits here if the committee wants them. I will be glad to read it or furnish it.

The CHAIRMAN. I do not think we need the details of it. He sued you for \$100,000?

Mr. BIALKIN. These are all means of harassment and intimidation.

Mr. KENNEDY. You are being sued at the present time for these signs that you put up?

Mr. BIALKIN. Yes, sir.

Mr. KENNEDY. And particularly the one with the gorilla?

Mr. BIALKIN. Mr. Buffalino mentions that as one of his grounds for loss to his reputation, and damages and so forth.

Mrs. BIALKIN. It is mainly the fraud and blackmail sign and there are now two suits.

Mr. BIALKIN. Three suits.

Mrs. BIALKIN. The total is \$200,000.

Mr. KENNEDY. You, of course, have to pay your attorneys to defend it.

Mrs. BIALKIN. There was another suit. They are like confetti that Mr. Fitzgerald referred to.

Mr. KENNEDY. And the pickets were ultimately called off, were they, after 9 weeks?

Mr. BIALKIN. After lengthy hearings before the Mediation Board, the Mediation Board handed down a ruling in which it states the findings of facts, that the union refused to give its consent to an election.

They ordered this election. On the strength of this Mediation Board finding, we were finally able to get, or Judge Monahan finally granted a temporary injunction.

On or about October 26, the picketing was removed to permit this election to be held on October 29, of 1956.

Mr. KENNEDY. Was the election held?

Mr. BIALKIN. The election was held.

Mr. KENNEDY. What were the results of the election?

Mr. BIALKIN. We did not find out the results of this election until February 28, 1957.

The CHAIRMAN. And it was held in October?

Mr. BIALKIN. It was held on October 29, 1956. The union knew they had lost the election.

The CHAIRMAN. It was 4 months before you were notified of the results of the election?

Mrs. BIALKIN. There were contested ballots and delays on the part of the union, of one kind or another and when the findings were finally sent down, which ballots would be allowed, the union did not consent to the opening of the ballots until we went into court and the court sent them back.

Incidentally, the Mediation Board found us not guilty of any illegal labor practices.

Mr. KENNEDY. What were the results of the election?

Mr. BIALKIN. The results were that it does not validate any strike action against the employer and they lost the election.

Mr. KENNEDY. Do you know what the vote was?

Mr. BIALKIN. They received out of 19 or 17, they received 6 votes.

Mr. KENNEDY. And you received 10?

Mr. BIALKIN. We received six and the others were all contested.

Mr. KENNEDY. The others were contested?

Mr. BIALKIN. Yes, sir. They appealed that decision of the Mediation Board and it was taken to the Supreme Court. The grounds that they appealed it on, among them, were that the election was not held within 20 days of the time that he filed his letter, but he made it impossible to hold an election.

The Supreme Court in April of 1957, denied the review and the findings of the Board are final.

Mr. KENNEDY. What has been the whole result of this as far as you are concerned? That is, all of these actions for the last 4 or 5 years?

Mr. BIALKIN. Besides the mental anguish, the loss of business, not only the loss of business during the 9 or 10 weeks, there has been a permanent loss to some extent because a good many people do not come back or are afraid to come back; some of them had been contacted during the picketing.

I may illustrate the nature of these contacts. One of my accounts, besides Neff, and I believe he has testified as to what happened to him, was the Detroit-Edison. I handled all of their company cars and a good many of their individual cars. We pick up a large portion of them, our drivers do.

On Monday morning right after the picketing started, my drivers went over there and they were told that no cars were to go out. I went up to see this individual, Mr. Salliken, who is the head of transportation. He said he had received a call from Mr. Larry Welch and told him there was a strike at our place—there wasn't any; there was a picket line, yes—and there were to be no Edison cars going through the teamsters picket line. He stopped it.

During that day I presented the facts to him. He referred me to their legal department. I presented all the facts, whatever documents there were on the case, and after some deliberation they decided that this was as illegal a thing as there ever was, and they resumed sending the cars to us.

I understand that they had any number of contacts after that, trying to get them to change their mind, but I will say this, to the integrity and honor of those people, they stood their ground.

But it was not the case with a good many others. They were just scared stiff, they dropped by the wayside.

The CHAIRMAN. Have you filed a cross-action against them in these suits?

Mr. BIALKIN. Sir, I don't have the money, the facilities—it has pretty near broken me—to get involved. Frankly, the quicker I can get rid of these guys off my back the better.

The CHAIRMAN. You are already involved.

Mrs. BIALKIN. We have an equity suit and we have filed for damages on that.

Mr. BIALKIN. We have not been heard on that.

The CHAIRMAN. I am not trying to be your lawyer.

Mr. BIALKIN. We have not been heard on that.

The CHAIRMAN. Is there anything further?

Senator MUNDT. I understand that you are not the only car wash owner that has had unhappy experiences and been brought to the brink of financial disaster by these union activities. I mentioned, I believe, that Spick and Span had a picket line.

Mr. BIALKIN. It has had a few days.

Mrs. BIALKIN. That was in 1951.

Senator MUNDT. Is that pretty standard operating procedure that the union uses when they do not sign, or are they trying to make an example out of you and are you the only case?

Mr. BIALKIN. In connection with the suits, I know that would happen if tomorrow I signed an agreement with Mr. Buffalino. Those suits would be dropped. He has done that in other cases.

Senator MUNDT. And he has also put picket lines around other places of business, some of which have capitulated, I suppose, signed a contract and then no picket line.

Mr. BIALKIN. That is right.

Senator MUNDT. I want to congratulate you, sir, on standing by your convictions and electing to fight it out. I would like to say that I applaud the determination of Detroit Edison and Mr. Neff to stick with you.

Mr. BIALKIN. May I say that they stopped their business? Mr. Neff, to keep it clear, because of the threat of the teamsters, stopped doing business with us from the moment that the picketing started until the termination of the picketing and then he resumed business with us.

Mrs. BIALKIN. Mr. Bialkin forgets to mention that he arranged to have their cars taken care of elsewhere while we were being picketed. We were the ones that made the arrangement. We do know that Mr. Neff is very much concerned about having come here to testify, just as we are concerned.

Senator MUNDT. I can understand that, but Detroit Edison did stick with you?

Mr. BIALKIN. Yes, sir.

Senator MUNDT. It would seem to me that the good people of Detroit who have written this member of the committee in great volume about unfair labor practices can do a little practicing what they are preaching right at home and give a little business to an outfit like yours that is willing to fight, even if they have to drive out of the way to get there. We hear a lot about standing up and fighting unfair practices with the other fellow's blood.

Now you are fighting. I would like to say, although I do not have much success in recommending things to municipalities—I tried in Portland one time—I would like to say as far as the people hearing that program are concerned, here is the case.

This is a firing line proposition and I think it would be much easier to get to the bottom of these unfair labor practices and correct some of them if the folks of Detroit would support a man who is fighting their battle and America's battle against this type of thing.

And a better way to support it is to do business with the fellow whose back is to the wall as yours is than simply to send letters with 3-cent stamps on them to members of the committee saying, "Come in and help us."

I salute you for your fight and your wife's courage and realize it is pretty tough. I hope you emerge successful because I believe that in America eventually right prevails.

Mrs. BIALKIN. Sir, during the picketing we could not get people to come in for nothing. We were giving free car washes just to keep our men going. People would not pass that picket line for nothing.

Senator MUNDT. I would like to say this, too, because in many places where I am, and in many letters that I get, I find that there is great concern, which I share, about the so-called third party in these public disputes, and that is the public.

Here is a chance for John Q. Public himself to do something. They are going to have to show a little courage, enough courage to drive through the picket line in an unfair labor practice like this if they expect people to stand up against this kind of racket.

So I say again, I salute you for making this fight. I hope this committee is going to be able to suggest legislation which is going

to make it easier for people like you to protect themselves against this kind of outrageous coercion. The public can help a lot by eating some raisins and getting some iron in its system and helping people like you who stand for American principles.

Mr. BIALKIN. During the course of the picketing I recall on September 14, Mr. Welch told me if he catches me in an alley he would put a slug in my back.

The CHAIRMAN. Have you had any threats regarding your testimony here?

Mr. BIALKIN. No.

Mrs. BIALKIN. May we have the protection of this committee?

The CHAIRMAN. You will have all the protection the committee can give you and you will remain under subpoena until such time as the committee may desire to have any further testimony from you.

In the meantime, any threat or any coercion or attempt to intimidate you with respect to your testimony before this committee in any way, communicate with the committee and let us have that information.

We will give you all the protection we can and insist upon other agencies of the Government doing likewise.

Mrs. BIALKIN. Thank you.

Mr. BIALKIN. I thank you.

Mr. KENNEDY. How much do you pay your car washers?

Mr. BIALKIN. We have a minimum of \$3.50 a day. That is a minimum whether the men do a single car. Then we pay 45 cents which the men divide amongst themselves.

Mr. KENNEDY. You pay 45 cents?

Mr. BIALKIN. Forty-five cents per car.

Mr. KENNEDY. Yes, sir; the union place we had represented paid 40 cents. You guarantee \$3.50?

Mr. BIALKIN. That is right.

Mr. KENNEDY. No matter how many cars they wash?

Mr. BIALKIN. That is right.

The CHAIRMAN. That is \$3.50 per day?

Mr. BIALKIN. That is the minimum.

The CHAIRMAN. In other words, they have a guaranty of that?

Mr. BIALKIN. Yes, sir.

The CHAIRMAN. If business comes, then they make more?

Mr. BIALKIN. That is right.

Mrs. BIALKIN. We also pay bonuses. We try to compensate those men who do a little better job. We pay regular bonuses right down the line and we have always done that.

The CHAIRMAN. Thank you very much.

Mr. KENNEDY. Mr. Buffalino.

The CHAIRMAN. Will you be sworn?

Do you solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. BUFFALINO. I do, sir.

**TESTIMONY OF WILLIAM E. BUFFALINO, ACCOMPANIED BY HIS
COUNSEL, GEORGE S. FITZGERALD**

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. BUFFALINO. My name is William Eugene Buffalino. I am the president of Teamsters Local 985 in Detroit. I am an attorney by profession.

The CHAIRMAN. Did you give your residence? I believe you overlooked that.

Mr. BUFFALINO. My residence is 12353 Wilshire, Detroit, Mich., and 47 East Railroad Street, in Pittston, Pa.

The CHAIRMAN. Let the record show that Mr. George S. Fitzgerald represents the witness; is that correct?

Mr. BUFFALINO. That is correct.

Mr. KENNEDY. Where do you spend most of your time, Mr. Buffalino?

Mr. BUFFALINO. Before getting into that, I would like to point out to you, Mr. Kennedy, and I want to call to your attention that our local union, under my signature, recently wrote you a letter on the 24th day of September 1957.

Mr. KENNEDY. That is correct. I forgot about it.

The CHAIRMAN. Let the Chair read it. I do not know what I am asked to do here. You read it, and I will listen and follow. Do you have a copy of it?

Mr. BUFFALINO. Yes, I have. The letter is dated September 24, 1957, to the Congress of the United States of America and the Senate Select Committee on Improper Activities in the Labor or Management Field:

Local No. 985, affiliated with the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America was served with a subpoena on the 6th day of August, 1957.

The said subpoena was apparently ordered by your committee and was issued on the 1st day of August, 1957, by Senator John McClellan, chairman.

It is our understanding that your committee is formed pursuant to Senate Resolution 74, 85th Congress, 1st session. It is our further understanding that your committee has adopted certain rules of procedure to guide its members and witnesses in its operation.

Since local 985 is entirely a service union comprised of members dealing solely in rendering services at automatic car-wash establishments and repairing and servicing automatic coin-operated equipment, it does not appear that your committee has jurisdiction to prosecute any inquiry because of a lack of legislative purpose.

The CHAIRMAN. That part of the request will be rejected. It is overruled. The committee has jurisdiction under the provision of the resolution establishing it in all areas of management-labor relations.

Proceed.

Mr. BUFFALINO. I continue to read:

Without waiving any of our rights, constitutional or otherwise, and continuing to object as to jurisdiction, validity of subpoena in all respects, including form, issuance, and in effect, in the event the observations and objections heretofore stated are not sustained by your committee, the following is requested:

The CHAIRMAN. The foregoing is overruled and is not sustained. You may proceed.

Mr. BUFFALINO (reading) :

(A) That no television or photographic cameras be permitted to operate during the course of inquiry since they would tend to distract the witness and, therefore, affect the accuracy of the answers.

Experience reveals that there are few people with sufficient stage presence to withstand the impacts of compounded questions, cloaked with the trappings of television and that witnesses with nothing to conceal appear to be adrift from the truth.

The CHAIRMAN. Let the Chair ask you at this point, is it your purpose to take the fifth amendment?

Mr. BUFFALINO. No, it is not.

The CHAIRMAN. Or plead you do not remember?

Mr. BUFFALINO. No, it is not.

The CHAIRMAN. Then we will give consideration to that request. You may proceed.

Mr. BUFFALINO (reading) :

(B) That local 985 and/or its president, William Buffalino, be furnished with a list of subjects or topics to be covered by your committee.

(C) That local No. 985 and/or its president, William Buffalino, be furnished with a list of the proposed questions to be propounded under each of the subjects or topics referred to in paragraph (B).

The CHAIRMAN. Both requests in (B) and (C) are denied.

Senator MUNDT. I might say that one very good reason for denying the request is that, no man in the world could tell what questions we might ask after hearing your testimony or hearing your answers to the preceding question. That would be impossible.

The CHAIRMAN. There is no such procedure established anyway.

Mr. BUFFALINO. In my particular case, I understand there are bound volumes in congressional committees as to questions and answers, in question and answer form, of testimony that I have heretofore given in other forums.

Senator MUNDT. That might be, but the fertile imagination of the present committee might still cook up a lot of other questions that are not in the bound volumes.

Mr. BUFFALINO. What I was referring to is those in their possession to permit me to be able to refresh my recollection.

Senator MUNDT. We have no objection to your reading the bound volumes if you want to know what the other questions were.

Mr. BUFFALINO. That is what I am asking for here.

The CHAIRMAN. You want to read what? I do not understand. You want to read the transcript of these hearings?

Mr. BUFFALINO. No. There are former hearings, I believe, in the Kefauver investigation. There was a bound volume of information and testimony given prior to that with reference to grand-jury testimony, from what I understand, in 1946, that is in the possession of this committee.

The CHAIRMAN. This committee has no obligation to furnish you transcripts of testimony in other places.

Proceed.

Mr. BUFFALINO. That would be based on the Jencks case. I think that would be analogous to the decision rendered in the Jencks case.

The CHAIRMAN. O. K.

Mr. BUFFALINO (reading) :

In view of the long period of time that will apparently be covered by this investigation, and in further view of the extensive scope of the current investigation, and since the witness can only testify as to his present knowledge of the matters of interrogation, and since the officers of local 985 do not profess to have all of the answers at their immediate command, and since they are desirous of answering promptly, honestly, completely, and with definite accuracy, it is requested that any officer of local No. 985 who is required to testify be furnished with a complete transcript of his testimony and be permitted to correct, amend, delete, and/or alter any statement with the assistance of his attorney, after which time he shall take the oath to such statement as corrected, amended, and/or altered for submission to the committee as his duly sworn statement.

It is further requested that local No. 985 through its president, William E. Buffalino, be permitted to cover such subjects or to answer or to explain any derogatory inferences or improper construction which might be given to a particular set of facts as a failure to cover a certain topic or a partial coverage of a particular subject, which subject or topic relates to local No. 985 or any of its officers or members.

It is further requested that the witness be permitted to read this statement orally into the record immediately prior to the giving of oral testimony.

Respectfully submitted.

The CHAIRMAN. Your last request has already been granted. You just concluded reading the statement. The other request will be overruled.

Proceed. You will be treated like all other witnesses.

Senator MUNDT. I do not believe you are going to need the services of Mr. Fitzgerald. You have thought of waverings and requests far beyond his most optimistic suggestions.

Mr. BUFFALINO. Mr. Senator, I rely on Mr. Fitzgerald on just about everything I do.

Senator MUNDT. You have far exceeded his requests.

Mr. KENNEDY. You kept Mr. Fitzgerald advised——

The CHAIRMAN. I have a rather high regard for Mr. Fitzgerald and I doubt if he wants to be associated with all you do. I seriously doubt that. But he is your counsel and he has a right to advise you.

Mr. BUFFALINO. I want to place one objection, that it appears to me that you are coming to a conclusion before you are hearing my side of the story.

The CHAIRMAN. All right, proceed. Let us get along with it. I am trying to get your side as fast as I can.

Mr. BUFFALINO. We will get to it. I want to do one thing, Mr. Chairman. Before I get into the testimony proper, I would like to make a statement with the permission of the Chair, which is actually a statement in the form of an objection as well as a report.

May I have your permission to make this statement?

The CHAIRMAN. You may make a brief statement.

Mr. BUFFALINO. I object to any member of this committee employing Gestapo tactics by unlawfully seeking to obtain information from our representatives at gunpoint. On Tuesday night, the 24th day of September, Mr. Arthur Kaplan entered into the home of Mr. Newman, a representative, a colored business representing of local 985, and after verbally abusing Mr. Newman and taking the name of our Lord in vain and insisting that he be permitted to use the phone, Mr. Kaplan not only refused to leave, but attempted to go into another room, as I am informed, of the house where Mr. Newman tried to stop him and Mr. Kaplan drew a gun.

The CHAIRMAN. Have you submitted a copy of that statement to this committee?

Mr. BUFFALINO. No. This just happened recently.

The CHAIRMAN. You have had 24 hours in which to submit it under the rules of the committee. The Chair has been very lenient in these matters, particularly with respect to written statements.

I am not going to permit witnesses to use that witness chair for a forum to make accusations without this committee having knowledge of it. If you want to be fair with this committee you will submit that statement to it under the rules of the committee.

Mr. BUFFALINO. I believe at the time, Mr. Kaplan mentioned he was going to report it to the committee.

The CHAIRMAN. I am not saying what Mr. Kaplan did or did not do at this time. This committee will not tolerate any improper conduct on the part of one of its employees. But that should be reported to the committee to give the committee an opportunity to have some information about it in advance.

You are trying to seize upon this opportunity to take that witness chair there as a forum to make these accusations. This is the first time the committee has ever heard them. You will submit your statement to the committee.

Mr. BUFFALINO. I want to object at this time to this committee sitting—

The CHAIRMAN. You heard what the Chair said. You submit that statement to the committee.

Mr. BUFFALINO. This is on another subject.

The CHAIRMAN. Any statement you have from now on you will submit it to the committee under the rules first.

Mr. BUFFALINO. Sir?

Mr. FITZGERALD. You will submit it to the committee.

The CHAIRMAN. You will submit your statement to the committee under the rules.

Mr. BUFFALINO. I will do that.

The CHAIRMAN. Yes, you will. I want it now. I want the statement you were reading submitted to the committee.

Mr. BUFFALINO. Some of it I read and there are other notes I was intending to read.

The CHAIRMAN. That is the purpose of the rule, so that the committee can be acquainted with what you intend to do. I try to be lenient about that rule.

Mr. BUFFALINO. Do you want my other notes in addition?

The CHAIRMAN. I want anything you intend to read before this committee. I do not care about your personal notes. If you have some personal notes you may keep them for yourself, but any statement you intend to read before this committee will be submitted to the committee.

Mr. KENNEDY. Just as background, does Mr. Newman work for you? He is a business agent?

Mr. BUFFALINO. Yes, sir.

Mr. KENNEDY. Does he have a police record?

Mr. BUFFALINO. That I don't know.

Mr. KENNEDY. He was convicted for larceny?

Mr. BUFFALINO. I don't know.

Mr. KENNEDY. I believe that is correct. This is Mr. Newman you were talking about; is that right?

Mr. BUFFALINO. I don't know about his police record.

Mr. KENNEDY. Mr. Kaplan met him in a hiring hall; did he not?

Mr. BUFFALINO. In his home.

Mr. KENNEDY. In a hiring hall.

Mr. BUFFALINO. In his home, which is also a hiring hall.

Mr. KENNEDY. I think you should give the full story on this situation.

Mr. BUFFALINO. That is what I tried to do.

Mr. KENNEDY. I thought you said it was his home.

Mr. BUFFALINO. That is his home.

Mr. KENNEDY. Isn't it the hiring hall?

Mr. BUFFALINO. A front office he has in his home.

The CHAIRMAN. The Chair wishes to make this statement:

The Chair is somewhat at fault for not actually enforcing the rules of the committee. I thought when a witness asked if he could make a statement he wanted to make an oral statement. But, under the rules of the committee, anyone wishes to read a statement or part of his testimony to the committee is required to submit that statement 24 hours in advance and the committee can make a determination whether the statement is proper, whether it is relevant. It is a necessary rule.

We have to guard against permitting witnesses just to use the witness chair in that manner as a forum for propaganda, political philosophy, and other things that the committee may not be interested in. This witness has made a charge against a member of this committee's staff.

I have never had any information regarding this charge before this moment. The committee, therefore, will look into the matter and inquire into it, and if the committee finds that there is anything to sustain this charge, it will take appropriate action.

The committee will not condone improper activities on the part of any of its employees. I have had a complaint or two before, and when we have pursued them, we found there was nothing to it.

This one is a very serious charge, if true. At the moment I have every confidence in Mr. Kaplan, is that his name, but you cannot prevent these charges from being made.

However, the committee will pursue them and inquire into them and take appropriate action if it finds there is any justification for the charges made.

Now, we are going to proceed with taking this witness' testimony. Senator Mundt?

Senator MUNDT. Mr. Chairman, for the information of the press, so that they won't be under the illusion that Mr. Buffalino was about to make a lot of additional charges, may I say, and I think he will concur with this, that the point he read was the sole charge that was made against Mr. Kaplan, and the remainder of the statement which was unread simply expressed Mr. Buffalino's hope that the committee did not condone such action, if in fact there was such action, and that we would make an investigation to determine the facts. That is correct, is it not?

Mr. BUFFALINO. That is correct. I was hopeful that I would have been permitted to read the latter part of that in fairness to everybody, myself, the committee, and everybody concerned.

Senator MUNDT. The chairman stopped you at that point because nobody could tell where you were going from there.

Mr. BUFFALINO. That is right.

Senator MUNDT. The record should be clear that the short part that was not read simply expressed the hope that the committee would check into it, which of course the committee will do, because as the chairman said, we simply want to make sure that the facts are facts. We would not condone such activities if indeed they took place under the circumstances you mentioned.

Mr. BUFFALINO. That I had in the remainder of the statement that I was not permitted to read.

The CHAIRMAN. The Chair made his order, or statement, without reading the remainder of the statement. Whatever the statement may contain had no influence on the Chair's decision or announcement.

Senator MUNDT. I completely support the Chair in stopping you where he did, but I did not want to get the impression out among the press that had you continued it there might be innumerable other charges involving other members of the staff. You had completed your charge at the time you were stopped, and you were simply expressing the hope that we would make a careful investigation of the facts.

Mr. BUFFALINO. I believe the remainder of that statement was in justification of everyone's position that we want to do the right thing by everybody concerned.

Senator MUNDT. That is right.

Mr. KENNEDY. The charge has been made and I would like to get the record clear, as Mr. Buffalino failed to say anyplace in the statement—in fact, he is talking about Mr. Newman, that his home is his castle—the picture that has been portrayed by Mr. Buffalino, that Mr. Kaplan, all 120 pounds of him, stormed into Mr. Newman's home. He was invited into the hiring hall of the union and sat there and started to ask Mr. Newman some questions. Mr. Newman, who was convicted of larceny, started pushing Mr. Kaplan around. Mr. Kaplan had been threatened before, we did not expect to go into this, and he has a license to carry a gun. He brought out his gun and he said, "You stop kicking me around." Mr. Newman ceased and desisted from pushing Mr. Kaplan around.

Mr. Kaplan left shortly afterwards, after he was joined by another investigator, Mr. Kelly. He called me on the telephone, and we questioned at that time whether we should prefer charges against Mr. Newman, and we decided to let the whole incident drop. That is the way it has been left. It is very fortunate, I believe, for Mr. Kaplan that he was lucky enough to be carrying a gun and have a permit to carry a gun during the time of this incident. Those are the true and correct facts.

Mr. Buffalino's statement that Mr. Kaplan stormed into Mr. Newman's home is a complete fabrication.

The CHAIRMAN. All right. We want to proceed with this testimony. The Chair and this committee is going to look into the matter thoroughly. The committee is not going to condone any improper activity on the part of any member of its staff. This charge may turn out to be like some others we have heard. We have got to bear in mind that the class of people this committee is dealing with as

evidenced and demonstrated by their conduct before this committee in some instances at least are not the class of people that is easily safe to be around when you are trying to investigate them and interrogate into some of their crooked affairs.

This committee is not going to be bluffed nor intimidated. We are going to investigate you and everyone else where it comes to our attention that improper activities are being practiced and where we can possibly have the time and the facilities to do it. Let us proceed with the interrogation.

Senator MUNDT. I would like to suggest to Mr. Buffalino also on the basis of his unfortunate experience in reading this statement that you should testify to us on the basis of your personal knowledge and not on hearsay. At best what you have reported is not anything that you observed or anything that you saw, but something that was reported to you by a Mr. Newman. That is correct, is it not? You have no personal knowledge of whether Mr. Kaplan carried a gun or not?

Mr. BUFFALINO. I was a late witness. I was there shortly after it happened.

Senator MUNDT. You were not there at the time it happened.

Mr. BUFFALINO. I talked to Mr. Kaplan.

Senator MUNDT. It was hearsay, a report from Mr. Kaplan, talking to you not under oath, but reporting to you something that you reported to us; is that right?

Mr. BUFFALINO. That is right, sir.

The CHAIRMAN. Proceed, Mr. Counsel.

Mr. KENNEDY. Mr. Chairman, in connection with your statement about the type of people involved in this investigation, and particularly the investigation that is being conducted of local 985, and Mr. Buffalino, I would like to ask you, Mr. Buffalino, when you first came into the jukebox business.

Mr. BUFFALINO. That was in the early part of 1946.

Mr. KENNEDY. Could you tell us in what connection you came into the jukebox business?

Mr. BUFFALINO. Yes.

Mr. KENNEDY. With whom?

Mr. BUFFALINO. At the time I incorporated the Bilvin Distributing Co.

Mr. KENNEDY. Who was that made up of?

Mr. BUFFALINO. The Bilvin Distributing Co. was a corporation, incorporated by Sam Tocco, John Priziola, and myself, I believe. To the best of my recollection those are the names.

Mr. KENNEDY. Let us go through Sam Tocco first. Who is Sam Tocco?

Mr. BUFFALINO. Sam Tocco is a very good friend of mine in Detroit.

Mr. KENNEDY. Is he the son of Bill Tocco?

Mr. BUFFALINO. No, sir.

Mr. KENNEDY. Is he related to Bill Tocco?

Mr. BUFFALINO. There is some type of relationship. How close, I don't know. I think he married Mr. Tocco's daughter.

Mr. KENNEDY. Did Mr. Tocco invest any money in this Bilvin operation?

Mr. BUFFALINO. Sam Tocco?

Mr. KENNEDY. Yes.

Mr. BUFFALINO. I believe he did.

Mr. KENNEDY. Sam Tocco did. Did William Tocco?

Mr. BUFFALINO. I doubt it very much. I have no knowledge of it.

Mr. KENNEDY. Where did Sam get the money that he invested?

Mr. BUFFALINO. You would have to ask him.

Mr. KENNEDY. How old was Sam at the time?

Mr. BUFFALINO. About your age.

Mr. KENNEDY. How old were you at the time?

Mr. BUFFALINO. About 26, about 27.

Mr. KENNEDY. How much did he invest?

Mr. BUFFALINO. I have no recollection of that figure.

Mr. KENNEDY. Wasn't it about \$25,000?

Mr. BUFFALINO. That would be a fair estimate. I don't know.

Mr. KENNEDY. Where did he get the \$25,000?

Mr. BUFFALINO. That, I don't know.

Mr. KENNEDY. Didn't it, in fact, come from William Tocco?

Mr. BUFFALINO. That, I don't know.

Mr. KENNEDY. Wasn't William Tocco arrested for armed robbery in 1920, arrested for armed robbery in 1923, arrested for armed robbery in 1924, prohibition——

Mr. BUFFALINO. I object.

Mr. KENNEDY. Investigation of murder, 1935.

Mr. BUFFALINO. I want to state an objection and point of order, Mr. Chairman.

Mr. KENNEDY. You are going to——

Mr. BUFFALINO. I do want to state an objection. I do not think that the police record of any relatives of Sam Tocco, record of arrests, is pertinent to these issues.

Mr. KENNEDY. You tell us where Mr. Tocco got the \$25,000, if he didn't get it from William Tocco.

Mr. BUFFALINO. All I can tell you, Mr. Kennedy——

Mr. KENNEDY. He was 26 years old. Where did he get the \$25,000?

Mr. BUFFALINO. Will you permit me to answer?

Mr. KENNEDY. Yes.

Mr. BUFFALINO. All I can tell you, Mr. Kennedy, is where I got the money I invested.

Mr. KENNEDY. How much did you invest?

Mr. BUFFALINO. I don't know the exact amount, but it was—I don't know, \$20,000 or \$30,000. I actually have no independent recollection of the exact figure.

Mr. KENNEDY. Where did you get \$20,000 or \$30,000?

Mr. BUFFALINO. I borrowed \$15,000 from a bank in Pittston, Pa.; \$5,000 I had, which I saved up while I was in the Army. I was making \$21 a month at the time I was in the Army, but I did have accumulated approximately \$5,000 of my own money.

Mr. KENNEDY. Where did you serve in the Army?

Mr. BUFFALINO. I served as a trial judge advocate for the general and special courts. I enlisted in 1942. I was discharged, I believe—I think I went out on terminal leave on January 18, 1946.

Mr. KENNEDY. Were you overseas?

Mr. BUFFALINO. Sir?

Mr. KENNEDY. Were you overseas?

Mr. BUFFALINO. Unfortunately, I was not. I followed all the orders that the Government put out.

Mr. KENNEDY. You say you got \$15,000 you borrowed from a bank; \$5,000 you had. Where did you get the other \$10,000 from?

Mr. BUFFALINO. I don't know, actually, how much I invested. I believe I borrowed some money from my uncle at the time. I don't know.

Mr. KENNEDY. Who is your uncle?

Mr. BUFFALINO. Angelo Meli; my wife's uncle and my uncle.

Mr. KENNEDY. Did he have any investment in this?

Mr. BUFFALINO. I wouldn't call it an investment. It might be an investment by proxy. Call it what you want.

Mr. KENNEDY. How much did he put in?

Mr. BUFFALINO. I have no independent recollection.

Mr. KENNEDY. Didn't he put \$46,000 in this operation?

Mr. BUFFALINO. I don't recall.

Mr. KENNEDY. Angelo Meli, according to our records, put some \$46,000 in this operation. He was convicted in 1920 of carrying a concealed weapon, arrested in 1920 on a murder investigation.

Mr. BUFFALINO. May I have a point of order here, Mr. Chairman?

Mr. KENNEDY. 1941, coercion; 1931, murder investigation——

The CHAIRMAN. Just a moment.

Mr. BUFFALINO. I would like to have a point of order. Mr. Kennedy is reading a police record, a record of arrests, a record of a man who just lost his son last November in a jet airplane in Germany. He enlisted there. He was doing his duty as a representative of this Government. So far as I am concerned, Angelo Meli, who is my wife's uncle and my uncle, has at all times conducted himself as a gentleman. So far as I am concerned, he has never at any time attempted to, directly or indirectly, influence me in any way, in any manner that is contrary to any law, either local, State, or Federal.

The CHAIRMAN. All right; he has never attempted to influence you in any way contrary to any law.

Mr. KENNEDY. Mr. Chairman, I would like to point out, in view of Mr. Buffalino's statement, that the people that he went into business with, which he started in the jukebox business, have a total of arrests amounting to more than 40. They include about 4 or 5 attempted murders and maybe 6 or 8 armed robberies. I am not interested in any particular person. You started out with 3 or 4 men, the most notorious hoodlums in the country. That is all. You were the front man for them. That is the only reason that I am bringing this out. That is how you started in business.

The CHAIRMAN. That is the element that this committee hopes to expose and hopes we can enact legislation to take them out of the labor movement.

Mr. BUFFALINO. How many arrests? How many arrests did I have at that time?

Mr. KENNEDY. I will trace your record. You went into this business. You went into the labor movement. You were put in there by Jimmy Hoffa, who had placed Jimmy James and given the first charter to Jimmy James and went on to being involved in an attempted murder, involved in allegedly misappropriating \$900,000. You went in and took over this jukebox local. You were not elected originally. You have a record. You continued your own jukebox business.

Mr. BUFFALINO. Is this a bill of complaint you are filing against me?

Mr. KENNEDY. No. I am saying why we are interested and how you originated in this business. It is a source of great concern and interest to us.

Mr. BUFFALINO. I would suggest that you have me testify instead of you testifying and you ask me the questions.

The CHAIRMAN. You filed a written request here to be given questions and advise what you are going to be interrogated about. We are giving you some of the information now that you are going to be interrogated about.

Mr. KENNEDY. You are interested in why I was bringing out about Angelo Meli's, your uncle's, police record. He invested some \$46,000. As I was going here, November 9, 1921, allegedly receiving stolen property; 1922, armed robbery; 1922, murder; 1924, extortion; 1927, kidnaping; 1927, prohibition; 1944, armed robbery; and 1951 for violating the gambling statute. There is now action being taken to denaturalize Mr. Angelo Meli. That is Mr. Tocco and Mr. Angelo Meli. Who else was in this business with you?

Mr. BUFFALINO. Those were the only three that I can recall.

Mr. KENNEDY. How about Mr. Priziola?

Mr. BUFFALINO. I mentioned his name. We were the only three. It was Tocco, Priziola, and Bill Buffalino.

Mr. KENNEDY. What was Mr. Priziola's background?

Mr. BUFFALINO. I don't know.

Mr. KENNEDY. He had been arrested for carrying a concealed weapon, had he not, a number of different times?

Mr. BUFFALINO. May I clarify something? All of these arrests, is this actually a conviction by arrest?

Mr. KENNEDY. No; they have been arrested. Some of them have been convicted.

Mr. BUFFALINO. How about my uncle? How many convictions does he have?

Mr. KENNEDY. Do you want me to go through?

Mr. BUFFALINO. Yes; on his convictions.

Mr. KENNEDY. How many does he have?

Mr. BUFFALINO. Actually, what would happen in the early twenties, if anything would happen downtown they would pick up anybody with an Italian name. They would haul them to prison and the last thing they would do in order to charge them, what was the last thing that happened, if it was kidnaping, they have kidnaping.

Mr. KENNEDY. How many Italians in the United States do you think have been arrested for 2 murders or 2 or 3 armed robberies?

Mr. BUFFALINO. I have no statistics on that. But I do say that even during the Kefauver investigation he had an arrest on his record because they wanted to serve him a subpoena. They had to haul him into jail.

Mr. KENNEDY. So you started out with these gentlemen in the juke-box business; is that right? How about DeLiberto? Did you mention him?

Mr. BUFFALINO. I didn't know.

Mr. KENNEDY. Was he in this business?

Mr. BUFFALINO. I don't know what you are talking about.

Mr. KENNEDY. Do you know Mr. DeLiberto?

Mr. BUFFALINO. I don't know. I may know him. From what you are trying to say or how you pronounce it, I don't recognize the person.

Mr. KENNEDY. D-e-L-i-b-e-r-t-o.

Mr. BUFFALINO. I have a vague recollection of the name, but I can't place it.

Mr. KENNEDY. Would he be interested in this company?

Mr. BUFFALINO. I don't recall whether he was or not. I actually don't recall.

Mr. KENNEDY. What was your position in the company?

Mr. BUFFALINO. I was the president.

Mr. KENNEDY. You must know who was interested in the company.

Mr. BUFFALINO. All I recall is that it was Sam Tocco, Mr. Priziola, and myself.

Mr. KENNEDY. You don't remember this other gentleman?

Mr. BUFFALINO. I don't recall that at this time. Do you have something—

Mr. KENNEDY. How about Nick Ditta?

Mr. BUFFALINO. I don't know. He might have been in the jukebox business.

Mr. KENNEDY. Don't you know he was in that company, too?

Mr. BUFFALINO. He may have been. I don't know. I don't recall that. But if he was, and if you have some information to refresh my recollection, I would be glad to testify to it.

Mr. KENNEDY. Do you know Nick Ditta?

Mr. BUFFALINO. Oh, as a result of going to weddings, probably, and seeing him and meeting him there.

Mr. KENNEDY. You say you don't know if he was in business with you or not?

Mr. BUFFALINO. I don't recall.

Mr. KENNEDY. Have you ever borrowed any money from him?

Mr. BUFFALINO. No, sir; I don't believe I did.

Mr. KENNEDY. Did the corporation ever borrow any money from him?

Mr. BUFFALINO. I don't believe they did.

Mr. KENNEDY. You can't remember that?

Mr. BUFFALINO. I don't recall whether they did. If you have any figures or information, I certainly would try to expedite matters here and testify to it if you give me something to refresh my recollection.

Mr. KENNEDY. Does it refresh your recollection that Mr. Ditta and DeLiberto contributed \$30,000 to this company?

Mr. BUFFALINO. That may have been before—that might have been before the incorporation, and I believe the incorporation was toward the center of the month, toward the middle of the month of February, and I believe that there was at that time, prior to a charter being granted by the State of Michigan to operate as a corporation—I believe there might have been some type of a partnership arrangement. I don't recall that.

Mr. KENNEDY. Do you know Mr. DeLiberto had a police record?

Mr. BUFFALINO. No; I don't.

Mr. KENNEDY. You don't know anything about that?

Mr. BUFFALINO. I don't know anything about his police record.

Mr. KENNEDY. Do you know he was also known as Rocco, Steve Rocco?

Mr. BUFFALINO. I don't know. I was married in 1945. I was shortly in Detroit and have not seen him probably in 10 or 11 years.

Mr. KENNEDY. This would take too long to read, really. It is three pages.

Mr. BUFFALINO. I am not interested in his record, Mr. Kennedy.

Mr. KENNEDY. I am trying to learn about the people that you went into business with originally. What were you doing in this business? What services were you performing?

Mr. BUFFALINO. I was the president.

Mr. KENNEDY. Operating president?

Mr. BUFFALINO. And an employee of Bilvin Distributing Co.

Mr. KENNEDY. What experience had you had that this group of gentlemen selected you as president?

Mr. BUFFALINO. The best experience is the fact that I was a lawyer.

Mr. KENNEDY. That was the reason?

Mr. BUFFALINO. I incorporated the corporation. I believe it was I that incorporated it at the time or took an active part in the corporation of that.

Mr. KENNEDY. And they took you?

Mr. BUFFALINO. I was a nephew of Angelo Meli. There is nothing wrong with me going into business. After all, I was 27 years old, very freshly out of the Army. I think I got out on terminal leave on the 18th day of January 1946, and it was incorporated, I believe, on the 12th of February 1946. I had just come out. I, as any other veteran, felt I was entitled to be able to orient myself and find my place in civilian life.

Mr. KENNEDY. These 4 or 5 men, as I say, who together have police arrests amounting to more than 40, went and selected William Buffalino, a 27-year-old attorney, to head the company up. I was just wondering what your background or experience was that brought Angelo Meli, Priziola, Ditta, and these other gentlemen all to you to have you set this company up.

Mr. BUFFALINO. There was no selection. There was no selection by those men of me. So far as I was concerned, I judged people on their character. Insofar as I am concerned, I judge people by what I know them to be.

Senator MUNDT. If they didn't select you, did you select yourself as president? If you were president, somebody had to bring it about.

Mr. BUFFALINO. If somebody had to be president, it might just as well be me.

Senator MUNDT. Did you select yourself as president when you wrote up the articles of incorporation?

Mr. BUFFALINO. I don't know how that happened.

Senator MUNDT. You don't know how you got to be president?

Mr. BUFFALINO. I must have been elected.

Senator MUNDT. It was a fortunate accident.

Mr. BUFFALINO. It was a fortunate accident.

Senator MUNDT. You didn't have the majority of the stock, did you? You were not the majority stockholder?

Mr. BUFFALINO. I don't know how that stock was divided. I don't recall how it was divided.

Senator MUNDT. You must recall if you had the majority of the stock in a company you incorporated.

Mr. BUFFALINO. I must have had a substantial amount.

Mr. KENNEDY. Senator Mundt, out of the \$146,000 invested in the company, only \$5,000 was Mr. Buffalino's money. The rest was borrowed or invested by these men.

Mr. BUFFALINO. Is there anything wrong with me going to a bank and borrowing it?

Senator MUNDT. Obviously you had to be elected by somebody else, by votes other than your own, in a \$146,000 corporation.

Mr. BUFFALINO. I can tell you that our company was thoroughly investigated at the time.

Senator MUNDT. I am not questioning that. I am asking you how you got to be president. I was curious when you said you were not selected by the stockholders. I think you would have to be since you don't have the majority of the stock.

Mr. BUFFALINO. That is not what Mr. Kennedy said. The way I understood it, it was not the charge that I was selected by the stockholders. I didn't object to that. I objected to the fact that all of these other men appointed me.

Senator MUNDT. Then you will admit that you were selected by the stockholders of the company.

Mr. BUFFALINO. There is no question in my mind that I was selected by the stockholders of that corporation.

Senator MUNDT. We will find out who the stockholders were and put that in the record.

The CHAIRMAN. The Chair regrettably announces that due to circumstances beyond our control, it has become necessary for us to recess the hearings until in the morning at 9 o'clock. The witness will return tomorrow morning at that time.

The committee is in recess.

(Members of the select committee present at time of adjournment: The chairman and Senator Mundt.)

(Whereupon, at 12:30 p. m. the select committee recessed, to reconvene at 9 a. m., Saturday, September 28, 1957.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

SATURDAY, SEPTEMBER 28, 1957

UNITED STATES SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D. C.

The select committee met at 9 a.m., pursuant to Senate Resolution 74, agreed to January 30, 1957, in the caucus room, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Carl T. Curtis, Republican, Nebraska.

Also present: Robert F. Kennedy, chief counsel; Carmine S. Belino, accounting consultant; Ruth Young Watt, chief clerk.

(Members of the committee present at convening of the session: Senators McClellan and Curtis.)

The CHAIRMAN. The committee will be in order.

Mr. KENNEDY. Mr. Chairman, this morning the first matter we are going to go into is the Sun Valley project, which we consider of some importance. Mr. Hoffa had testified that he had received a \$25,000 loan in cash from Henry Lower, who he said operated Sun Valley. He also testified that he had gone to the Commonwealth Bank and had gone on a note for Henry Lower. The Commonwealth Bank has large sums of teamster money at their bank and Jimmy Hoffa said he went to the bank and arranged for Henry Lower to get 2 loans, 1 of \$50,000 and a second loan of \$25,000, a total of \$75,000. Then he went on to say that Mr. Lower loaned him \$25,000 in cash. So we have been looking into the project of Sun Valley, and we had expected to have Henry Lower here to testify.

We considered Henry Lower one of the most important witnesses that could testify during this week. He unfortunately is ill, and we had a Government doctor to examine him. The Government doctor who examined him said originally that he thought he could travel, but has changed and said it would be a week before he could come. We will have to proceed today without Henry Lower. But I think we could put some of the facts and figures into the record anyway. So the first witness on the matter would be Mr. Joseph Kritch.

The CHAIRMAN. Mr. Kritch, come around, please, sir.

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. KRITCH. I do.

TESTIMONY OF JOSEPH KRITCH

The CHAIRMAN. Be seated. Mr. Kritch, state your name, your place of residence, and your business or occupation.

Mr. KRITCH. My name is Joe Kritch. I live at 370 Rayson Avenue, in Northville, Mich. I am now sales manager of a used car-new car business on Plymouth Road in Livonia, Victory Motor Sales.

The CHAIRMAN. Mr. Kritch, do you have an attorney?

Mr. KRITCH. Do I have an attorney?

The CHAIRMAN. Yes. Under the rules of the committee you have a right to have counsel present to advise you during the course of your testimony if you desire. Do you waive counsel?

Mr. KRITCH. Well, I don't have an attorney, Senator. I probably needed one all last year, but I am here on my own.

The CHAIRMAN. Thank you very much. Proceed.

Mr. KENNEDY. Mr. Kritch, would you tell the committee a little of your background, please?

Mr. KRITCH. I started out as a youngster back in Detroit, born and raised in Detroit, and went out to school at Pershing High School, and at the age of 17 I went to work at the Chrysler Corp. where my father worked.

Being at Chrysler Corp., being able to play baseball, I received the job I had and worked there for about a year and a half. When the big strike came along, the sitdown strike in 1937, I in turn left in March 15 and went to Terre Haute, Ind., and tried out with the St. Louis Browns baseball school. The way I improved and looked, they gave me a job in the minor league organization.

In 1937 I started to play ball at Findlay, Ohio, and from there on I went on through to about four clubs in the organization. I was later made a scout for the St. Louis Browns.

My life had been sports until I worked part time in the automobile business, like in 1949 and 1950 and 1951. I came back to Detroit and played baseball, and in 1951, 1952, and 1953 I played with the teamsters 247 team 2 years. We won the championship.

In 1954 and 1955 I was assistant sales manager at Holtzbaugh Motor Sales, where I had then bumped into, or I had met, Mr. Henry Lower, who was organizer and president of the salesmen's union which was under the teamsters.

Mr. KENNEDY. What local number was that?

Mr. KRITCH. I will have to look at the card. It was International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers, AFL—that is what the card said.

Mr. KENNEDY. That is local 376, I believe.

Mr. KRITCH. Yes. Here is the other card that says 376.

Mr. KENNEDY. Mr. Lower was an organizer for local 376 at the time?

Mr. KRITCH. Yes, sir.

Mr. KENNEDY. And you met him while you were working for this automobile company, is that right?

Mr. KRITCH. That is right.

Mr. KENNEDY. He spoke to you about joining the union?

Mr. KRITCH. Yes, sir. In fact, I attended one of their meetings and it looked like a very good thing, to organize salesmen. I even

went out as a good union man and organized and signed 25 or more salesmen myself, and turned over their initiation dues to Mr. Lower.

Mr. KENNEDY. So you joined the union, is that right? Your group joined the union?

Mr. KRITCH. Yes, I did.

Mr. KENNEDY. Subsequently, did Mr. Lower speak to you about another project in which he was interested?

Mr. KRITCH. At that time—that was in 1944——

Mr. KENNEDY. 1954.

Mr. KRITCH. 1954, I mean. In 1954 he didn't talk to me about anything except he was the head of the salesmen's union.

Mr. KENNEDY. But during 1955 or toward the end of 1955 did he talk to you about another project?

Mr. KRITCH. Yes. I sold him a car in 1955, and he had told me that he had a good thing going in Florida, that he wouldn't be with the salesmen's union; that they were just a bunch of dopes and a bunch of dumb salesmen, and they were hard to organize and he was dropping that and going into something else.

Mr. KENNEDY. What conversation did you have with him about that?

Mr. KRITCH. It came about—it was around December 9, 1955, just before the Christmas holidays—I went to see Mr. Lower at 16939 James Couzens Avenue in Detroit, and he called me into his inner office and I sat there, and he said that he had a great thing going in Florida called Sun Valley, Fla. Even though he was still associated with the union as a business public relations counsel that he thought this would be a great retirement thing. So he spent a good hour explaining everything to me.

In the meantime I met his nephews, Marty Lower, and Henry Lower, and I talked to Tony Pertano and Dave Charmer who were salesmen there. Bill Gurney at that time was business manager, still is, but he wasn't in the office. Larry Bolin was a broker but he wasn't around at the time. I met him later on in the day.

Mr. Lower asked me if I could also get someone else to go to work as salesmen selling property in Florida. I said, "Well, I think so. I have a very good friend of mine that worked with me for 2 years in the automobile business by the name of Joe Fostino that I thought would be very good." I would talk to Joe and we would probably see Lower the following day, and we would give him our answer.

So the following day we were in and we gave Mr. Lower our answer, and we said yes, we would take a chance at it. We would go ahead and were willing to start because we thought it was a terrific idea for retirement for people, especially elderly people, in Florida. But he didn't want us to start until January 3, and we started to work for him January 3.

Mr. KENNEDY. Where was he operating out of at that time?

Mr. KRITCH. He worked out of two places. He worked out of the teamsters headquarters and he worked out of 16939 James Couzens. He would spend the morning at the teamsters, and in the afternoon he would spend an hour or two at Sun Valley, and that was his day.

Mr. KENNEDY. Where would you report to him?

Mr. KRITCH. I would report to him at 16939 James Couzens headquarters.

Mr. KENNEDY. Which was the Sun Valley headquarters.

Mr. KRITCH. Yes.

Mr. KENNEDY. But during this time he was also working for the teamsters?

Mr. KRITCH. Yes, sir.

Mr. KENNEDY. He operated out of the teamsters headquarters?

Mr. KRITCH. He was there for about a good 3 months before he told me one day that Jimmy told him that now since he has Sun Valley going pretty good, he shouldn't be hanging around the teamsters place. He should be strictly down on James Couzens in charge of Sun Valley.

Mr. KENNEDY. What were your financial arrangements with him? What was the situation in Sun Valley as it was explained to you?

Mr. KRITCH. At the start we were to receive \$75 a week salary, \$25 a week expenses, and \$10 per deal on each lot. I have all the checks here how I was paid. He also told us that the property would be \$445 for an 80 by 100 foot lot and gave us literature and letters that would include roads and give us a lot of pictures and advertising and he told us that he would then go into Florida for the ground-breaking ceremonies about the 15th of March and they would put on quite an advertising campaign to put this over. He also did not mention at that time that the teamsters purchased property or anything like that but I found it out a little later.

Mr. KENNEDY. Would you tell us what he told you about the money invested in it, what he told you about it and what you found out as you moved along?

Mr. KRITCH. As we moved along—

Mr. KENNEDY. How much did he pay? Did he tell you about that?

Mr. KRITCH. The way I understand it, they bought 2,270 some acres in the first plot—they called that section 28—that was divided up into 2,250 lots with a section behind called section 29 and sections 5 and 6, that the total ran them somewhere in the neighborhood of around between \$70,000 and \$90,000. They had paid \$40,000 for the property that I know that they had borrowed money from Mr.—Mr. Hoffa had advanced them from the teamsters union.

Mr. KENNEDY. Mr. Chairman, in connection with those figures, we will put the exact figures in subsequently with another witness.

This is what you understood at the time?

Mr. KRITCH. That is what I understood.

Mr. KENNEDY. The figures are not completely accurate, but we will have the exact figures.

Mr. KRITCH. I knew that Henry Lower did not have one dime, and I knew that he did not put anything into it. He was just put at the head of it, sort of.

Mr. KENNEDY. As it developed, you were selling these lots, were you?

Mr. KRITCH. Was I selling these lots?

Mr. KENNEDY. Yes. You started selling the lots?

Mr. KRITCH. Yes, as I went along, I found that 450 teamster members or so, all over the country, that is Indianapolis, St. Louis, New York, Toledo, as far as Iowa and Kansas City, all were buying property, and it looked to me like a very good thing. It looked like it was a splendid idea, and so I dug in and started to sell.

Mr. KENNEDY. And did you sell some lots?

Mr. KRITCH. Yes, I sold about, I would say, \$70,000 worth in the first 2 months. My partner did about equally the same. Lower was so happy when the first 2-month period that he could pay back Jimmy the amount of money that he had borrowed from the teamsters. In fact, I know he was sweating it out every day. He kept writing ever week on my check, "You can do better" and "Better get on the ball" and "Don't lay down on the job" and "Sell more lots." So I in turn found out that he had owed this money to Jimmy Hoffa and had to put it back into the union.

Mr. KENNEDY. Did you understand that the teamsters union had loaned some money to Mr. Lower? Did he tell you that?

Mr. KRITCH. Yes. I found that out later on. Mr. Bert Brennan, he had mentioned that it was \$50,000.

Mr. KENNEDY. That the teamsters had loaned?

Mr. KRITCH. To the Sun Valley project, yes.

Mr. KENNEDY. What did you tell the people to whom you were selling these lots? Did you tell them that they would have paved roads and all that type of thing?

Mr. KRITCH. Well, we were told that, Mr. Kennedy. We were told that they were going to have hard-surface roads, that the place would have paved roads, and that it was a great retirement—you must understand that I was not down there. We were getting the picture until March 15 when they had the ground-breaking ceremonies, we were just taking his word for everything, and that was in our selling campaign, with the advertising that we were receiving from a television station in Windsor.

Mr. KENNEDY. Did Henry Lower go down and visit Florida and tell you how it was progressing down there?

Mr. KRITCH. He would go down and come back and paint a picture to us and say, "How beautiful it looks, Joe. The roads are paved. It is gorgeous. You should go out today and sell 20 more lots."

Mr. KENNEDY. Did you go out and tell these people that the roads were paved and all these other things would be available?

Mr. KRITCH. Well, he is our superior so, naturally, we followed what we thought was the truth, and we went ahead until one day one of the boys wrote a letter to Chicago and Dave Charmer told the woman that the roads were paved and she investigated and got a report and said it was not so.

Mr. KENNEDY. She wrote an article about what the situation was down there?

Mr. KRITCH. Yes. Well, before she put her money into it, she wanted to make sure that it was O. K., and that the roads were paved. So she wrote an article to the paper——

Mr. KENNEDY. Wrote a letter?

Mr. KRITCH. Wrote a letter, I mean, to the Miami Herald in Florida, and they in turn investigated it, and they in turn wrote a bad article in the Detroit papers and that sort of threw the crimp in Sun Valley.

The CHAIRMAN. May I present to you what appears to be a form letter from Henry Lower? It is undated, but it is on Sun Valley, Inc., stationery. It is addressed, apparently, to the purchasers of lots in that area. Will you examine it and state whether you identify it?

(Document handed to witness.)

Mr. KRITCH. Yes; that is the letter.

The CHAIRMAN. Is that a part of the literature you were given to hand out?

Mr. KRITCH. Yes. Here is some more.

The CHAIRMAN. Let the letter presented to the witness be made exhibit 29, and the others he presents there in sequence to it, similar to it, will be made 29A, and so forth. You may call attention, if you care to, to any highlights in those letters and that material you are submitting.

(The documents referred to were marked "Exhibits 29 and 29A" for reference and will be found in the appendix on pp. 5758, 5759.)

Mr. KENNEDY. I think you should point out what you were promising the people.

Mr. KRITCH. Well, we were promising the people hard surface roads. That was the main promise we had given them. It says assessed for sidewalks, curb, and that. They would pay the assessments for that.

Mr. KENNEDY. You promised them hard surface roads without assessment?

Mr. KRITCH. Yes. We promised hard surfaced roads, which in Florida today are like a Corshean shell. The people, naturally, some of them pretty close to retirement stage, would get ready to go down and start building, or I could have a home started to be built for them. There were some cases where some wanted to wait until they came to their retirement stage. But they were figuring as the roads went in, the property would improve and get a lot better, and it would be worth, naturally, more money.

Mr. KENNEDY. And then Mr. Lower, during this period of time, was coming up and telling you what he saw down there?

Mr. KRITCH. Yes. He used to paint the pictures all the time. He used to come back and tell us how beautiful it looked, he just flew over, he drove all over the roads, and "Joe, it is wonderful. All the streets are in." He kept promising us we would be down in Florida every day, or this coming week. We never did go down to see it because he didn't want us down there. Now I find out when we went down for ground breaking ceremonies later on——

Mr. KENNEDY. You finally went down in March of 1957, is that right?

Mr. KRITCH. That is right.

Mr. KENNEDY. But prior to that, someone had had written to the newspaper down in Florida and asked them to find out about the place, and then an article had been written in the Detroit Free Press, is that right, in October of 1956?

Mr. KRITCH. That is when the fur really flew, when that article came in the paper. We had sold a teamster prior to that week a lot, so he naturally—you know, it is hard selling property 1,248 miles away, in Michigan, we sold that man a lot. He was a teamster. He owned a couple of trucks. He bought the property for \$445; \$50 down and \$10 a month. He read this article on Sunday in the paper, and Monday morning he stormed in the office and got hold of Bill Gurney, office manager, tore his shirt off his back and was going to

punch him around a little. He said, "What are you selling me, dead property, useless property? Look at this article." Bill Gurney was scared stiff.

Finally, anyway, the teamster left, and Bill Gurney immediately called Henry Lower. Henry Lower got hold of the man's name and telephone number and everything and called him on the phone. He said, "Are you so and so?" And he said, "Yes." The reason I don't want to mention his name is, it is tough to say anything about—if you want the name, I will give it to you.

Mr. KENNEDY. No, that is all right.

Mr. KRITCH. He says, "You know, this is Hoffa's deal. You don't want the Black Maria there, do you? If I were you, I would go in the office and apologize to Mr. Gurney." So he went in. He apologized the next day and bought him a new shirt. I told him, I said, I told Lower that afternoon, I said, "Well, I think you ought to do one thing, Henry," and so did my partner, Joe Fostino, "You ought to give the man his \$50 back." Lower kind of didn't want to at first. He said, "What did he pay for the property?" And I said, "\$445." He said, "You know, we get \$545 now, another hundred dollars." So he said, "O. K.," and he gave him his money back.

The CHAIRMAN. You spoke of an article in the paper. I show you a copy of the Detroit Free Press, Sunday, October 14, 1956, and ask you to examine the front page and see if that carries the article that you referred to, the news article that caused the trouble.

(Document handed to witness.)

Mr. KRITCH. Yes, that is it.

The CHAIRMAN. The article in that paper may be made exhibit 30 for reference.

(The article referred to was marked "Exhibit No. 30" for reference and may be found in the files of the Select Committee.)

Senator CURTIS. Mr. Chairman.

The CHAIRMAN. Senator Curtis.

Senator CURTIS. You referred to that telephone conversation when Mr. Lower called this angry teamster. Were you present?

Mr. KRITCH. Pardon me?

Senator CURTIS. Were you present?

Mr. KRITCH. Was I present?

Senator CURTIS. Yes.

Mr. KRITCH. No; I was not present.

Senator CURTIS. How do you know the content of the conversation?

Mr. KRITCH. Mr. Gurney told me exactly what had happened. I was standing right alongside Mr. Gurney.

Senator CURTIS. When you said that this teamster went to the office and roughed up Mr. Gurney, what office is that? Is that the Sun Valley office?

Mr. KRITCH. That is the Sun Valley office, 16939 James Couzens.

Senator CURTIS. Was anybody working in there whose salary was paid by the teamsters?

Mr. KRITCH. Do you mean at the time?

Senator CURTIS. At any time. Was there anybody working for this promotion whose compensation was paid by the teamsters, that you know of?

Mr. KRITCH. Well, I think we were all paid, actually, through him, through the teamsters. The only thing is, it was under the Sun Valley banner.

Senator CURTIS. But you were paid on a commission basis, were you not?

Mr. KRITCH. I didn't understand that question.

Senator CURTIS. I mean someone on a regular salary from the regular funds of the teamsters.

Mr. KRITCH. No; the only one that I knew that was on the payroll from the teamsters actually when he was running Sun Valley was Henry Lower.

Senator CURTIS. That is what I want to know. Thank you.

Mr. KENNEDY. This article says:

Florida Haven is scrub oak and dry sand, but many Detroiters buy lots in Sun Valley. A huge tract of Florida scrub-oak land originally promoted by officials of the Detroit Teamsters Union as a retirement haven for union brothers remains uninhabited and without water or paving.

It goes on then to describe the project:

The most descriptive line in its advertising is that the land is high and dry. There are no water facilities. No. 2, Sun Valley has not complied with a new Florida law that its advertising material be filed with the State commission. No. 3, although a prospective purchaser from Chicago was told about paved boulevards and 30 miles of streets, there is not a foot of pavement.

Did you talk to Henry Lower about this, about this article?

Mr. KRITCH. Yes. In fact we had talked about it. You see, they had put the bulldozer through there and dug up the dirt, but the hard-surface roads had not gotten on yet. I know he went down and raised a little heck and cain at the Detroit Free Press, that the article was a little misleading. They did pave the boulevard where they put the model homes on. We went down to see it later on and they were selling from \$14,900 to \$16,900. But for retirement people that was away out of the question, people purchasing homes like that. They were going too far.

Mr. KENNEDY. What was Mr. Lower's attitude toward the teamsters who had purchased the lots at a lower price?

Mr. KRITCH. We started to sell the property for \$445 and then he upped the price to \$545. I will never forget the teamsters that had bought property for \$150 a lot or 3 lots for \$450. Lower would comment in the office when they would call in on what was going on, they would write in, and "How was Sun Valley developing?" which they were entitled to know, he would say, "Bah, teamsters, they paid \$150 for their lots, and here we are getting \$545. Let's cancel as many out as we can. We can get more money for them." So they canceled quite a few of them out. They even passed the form around to the teamsters' halls because I know 3 or 4 girls who work for the teamsters in different locals, they got their money back on their downpayments and on their lots that they had purchased for \$150, because they had found out it was no good from the newspaper articles. They thought the property was useless. When Lower said, "Well, I will give you your money back," they said all right, and he paid them their deposits back.

In the meantime that is what he wanted. We would turn around and sell the property for \$545.

Mr. KENNEDY. You say that he passed the word around at the teamsters. What do you mean by that? What word would you pass around?

Mr. KRITCH. All you would have to do is to tell one girl down at the office or somebody who purchased property at the teamsters' headquarters, and naturally it would get around.

Mr. KENNEDY. What word would he be passing around?

Mr. KRITCH. If they wanted their money back on the property, they had bought before at Sun Valley, that he would be willing to give them their deposits back. They bought the land for \$150 a lot. Now he was getting \$545. So a lot of them figured it was better to take it after reading the articles like that in the paper and not knowing that Lower was reselling it for \$545.

Mr. KENNEDY. What conversations did you have with Lower about his relationship with Jimmy Hoffa?

Mr. KRITCH. While we were in the office—we had done quite a job on selling property and we had put him over what the so-called hump was, this partner of mine, it was about lunch time. The two girls were not in the office. They were out to lunch. I had asked Lower, "Say, Henry, whatever happened to that Rosedale strike when you were head of the salesmen's union? You know." "Oh," he says, "We won that strike, you remember." I said, "I know you won the strike, but how did it finally come out?" He said, "Well, we fought that a long time, and that owner fought us a long time."

I used to pass by there coming from home down Grand River Avenue from Northville and I could see 6 or 7 pickets. Henry Lower mentioned that they had found out in the meantime that this Mr. Love that owned the Rosedale Motors had a bad heart. So they passed it on to—the pickets had passed it on to him and he had found out, because Lower would make that strike go 3 or 4 times a week—he passed it immediately on to Jimmy Hoffa, so Lower says they sent 50 to 75 pickets out there and really put the pressure on. This fellow's daughter was coming into the place of business. They made filthy remarks to her. A customer drove in to get his car serviced. One of the pickets spit in his face. Also, they told the owner—he, seeing that many pickets, naturally he got frightened, it looked like an army in front of his place of business—they told him they would wheel him out in a casket.

Mr. KENNEDY. This was all done after they learned he had a bad heart?

Mr. KRITCH. That is right.

Mr. KENNEDY. Is that what Henry Lower described to you?

Mr. KRITCH. That is what he described.

Mr. KENNEDY. He said that the report came back that this man had a bad heart and he had a conversation with whom about it?

Mr. KRITCH. That is right.

Mr. KENNEDY. Who did he have the conversation with?

Mr. KRITCH. He had the conversation with Jimmy Hoffa.

Mr. KENNEDY. What did Hoffa say?

Mr. KRITCH. That I don't know.

Mr. KENNEDY. What did Lower say why they put the 60 or 70 pickets on?

Mr. KRITCH. They figured this would be the best time with the man being so ill and being under the present conditions, and they were forcibly trying to get the salesmen's union throughout the city organized, this would be the closing feature for them to organize all the salesmen, because they were fighting for a certain salesman in the place there to get his back pay. They knew that they had the present owner in a bad state of condition. That would be the final punch, which turned out to be the final punch.

Mr. KENNEDY. The owner did subsequently die?

Mr. KRITCH. Yes; he did. It was 2 years ago or more, I talked to his wife before I came here from Florida to verify the statement. I had made out I was like a purchaser of an automobile and I wanted to know if her husband was still alive—I mean at the place of business—she says oh, no, she says, "My husband died. It was during that strike. It was a horrible thing." She says, "Actually that killed my husband, all that trouble and everything." She says, "I am still a nervous lady. I am going to the doctors now 2 or 3 times a week."

Mr. KENNEDY. During this whole period of time through 1956, and these few months of 1957, what did Mr. Lower state about his relationship with Mr. Hoffa? Did he know Mr. Hoffa well? Did he say anything about Mr. Hoffa's interest in Sun Valley? Was that described to you?

Mr. KRITCH. The only thing that I know, that Mr. Lower, he came up with the salesmanship idea, of organizing the salesmen. He brought that into Jimmy Hoffa. I know of a certain fellow that he had worked with had told him about what a great thing it would be to organize the salesmen. Mr. Lower brought the plan in to Mr. Hoffa. Then when that failed, the salesmen's union failed, he in turn got the idea on this Sun Valley. That is how he started in the Sun Valley picture.

Mr. KENNEDY. Was there an arrangement made to borrow \$300,000 from a Florida bank?

Mr. KRITCH. That occurred a little later on. Getting back to—a little ahead of my story—we went back to Florida and we went to the testimonial dinner of Jimmy Hoffa at the State Fair Coliseum. It was all paid for by Sun Valley. We had dinner. I watched the speakers' table. After dinner, just before the speakers started to speak, I says to Lower, "Who is that baldheaded gentleman sitting there just to the right of Jimmy Hoffa?" "Oh," he says, "that is Dave Beck, the president of the teamsters union. Jimmy will have his job someday." I said, "Is that right?" He says, "Yes." I never thought anything what was going to happen or how these procedures were. I have been in the sports world all my life. Lower mentioned that he had enough on Dave Beck to where Dave Beck would have to creep to him and swing over his side of the fence and naturally fall in line behind Jimmy Hoffa.

Mr. KENNEDY. Did you have an argument with Mr. Henry Lower over the operation of this project?

Mr. KRITCH. We went along that summer. Henry Lower told Bill Gurney and Larry Bolen, the broker, that they were going to start assessing the people on the roads. In fact, they mentioned to Bill Gurney that someone should go in to see the boss, Jimmy Hoffa. I told my partner and myself, we both better—we talked it over—we

both better go in and see Jimmy. We went down to the teamsters headquarters. That was the first time I had ever met Jimmy Hoffa. We first bumped into Bert Brennan and Bert Brennan told us that Jimmy wasn't here, and he would be in later on. So we waited for Jimmy for over 6 hours. Finally he came in and I went in and talked to him and started to tell him what Lower was doing. I can still see him pounding his desk and cussing more or less underneath and out a little bit, and then the telephone rang, and it was a long-distance call from New York, and he says, "Go on back to work," and that was it. We left.

Mr. KENNEDY. Did you have a conversation with Mr. Hoffa? As I understand it, you were discouraged about what was happening, that the streets had not been paved and that you had sold a lot of these lots; is that right?

Mr. KRITCH. That is right.

Mr. KENNEDY. That you had sold a lot of these lots and told people that the streets were going to be paved and that the situation was going to be that the places they were going to move into in Florida were going to be fixed up; is that right?

Mr. KRITCH. That is right.

Mr. KENNEDY. Did you find out and learn as you were working there that these things were not being done to these lots?

Mr. KRITCH. Here are some papers that were sent back from Florida stating about what Henry Lower would tell us about the paving and the ground being broken; you can look at this.

Mr. KENNEDY. Anyway, you learned that these things were not being done; is that correct?

Mr. KRITCH. Yes. I had learned that in the meantime.

Mr. KENNEDY. Did you try to go and see Mr. Hoffa about that?

Mr. KRITCH. Yes, I did. We went back and later on to see Mr. Hoffa toward the tail end before I left Sun Valley. That was back in January. We had a Christmas party and Jimmy was invited to the office. In fact, Henry Lower invited the boss.

Mr. KENNEDY. I don't want to go into all those details. Just tell me, did you talk to Mr. Hoffa about what was happening down in Sun Valley?

Mr. KRITCH. Yes, I did.

Mr. KENNEDY. What did he say about that? Did you tell him that the people were being promised paved streets and some of these other things, and they were not getting them?

Mr. KRITCH. He told me then that he had nothing to do with that any more, that is up to Henry Lower and that is when we left.

Mr. KENNEDY. Did you write him a letter, then?

Mr. KRITCH. Yes, I wrote him a letter.

Mr. KENNEDY. Describing these things that were going on?

Mr. KRITCH. Before we left, Mr. Kennedy—we were fired on the 3d of January, and I went in to get a hearing and find out why we were—

The CHAIRMAN. Fired from what?

Mr. KRITCH. From our job.

Mr. KENNEDY. You and Fostino.

Mr. KRITCH. Yes.

The CHAIRMAN. You were fired from Sun Valley and your job of selling real estate?

Mr. KRITCH. Yes; but we belonged to the union and I wanted to get a hearing and find out why we were fired.

The CHAIRMAN. What did the union have to do with Sun Valley?

Mr. KRITCH. That is what I wanted to find out. We paid \$10 initiation fees and \$4 a month dues.

The CHAIRMAN. You wanted to find out what you were paying the money for?

Mr. KRITCH. Yes; that is right. We wanted to find out what we had. Bert Brennan and Jimmy Hoffa said we didn't have a contract or anything else. I said what are we paying our dues for? He says, "It is news to me. We didn't know you were paying dues." I said, "Here is our Brotherhood of Teamsters and Chauffeurs book, paid for the whole year, and our \$10 initiation fee." He said, "We don't have no contract with Sun Valley so we can't go to bat for you."

The CHAIRMAN. You went in there to get him to protect your rights as a union member?

Mr. KRITCH. That is right.

The CHAIRMAN. Because you had been fired. And after paying your dues, you found out that you had no union to protect you?

Mr. KRITCH. That is right.

The CHAIRMAN. All right. Just one thing to get this in its proper perspective. As a salesman of the property for Sun Valley, did you and your partner direct your campaign toward teamsters, that is, trying to get teamsters to buy in this area, or was it a general campaign, to anyone?

Mr. KRITCH. It was a general campaign to anyone.

The CHAIRMAN. Was any emphasis placed on selling to teamsters?

Mr. KRITCH. No. Oh, yes; naturally we were told—we were out to sell anybody.

The CHAIRMAN. You would sell anybody that wanted to buy?

Mr. KRITCH. That is right.

The CHAIRMAN. Was the emphasis placed on getting teamsters to buy?

Mr. KRITCH. Two men were sent out of town and their job was to get teamsters. They would hit certain locals and pressure was put on by these certain locals and the teamsters members would buy from places like Indianapolis and so on.

The CHAIRMAN. The major pressure was applied to get teamsters to buy.

Mr. KRITCH. Yes; 1 boy used to write 30 or 40 deals; just because he mentioned Jimmy Hoffa's name, the members would buy.

The CHAIRMAN. In other words, they were selling this property on the name of Jimmy Hoffa, "Jimmy is interested in it." They wanted to buy. That is a fact?

Mr. KRITCH. That is right.

The CHAIRMAN. That is the way you carried on your campaign?

Mr. KRITCH. Well, my campaign, I never used that, unless we bumped into a teamster to make a sale.

The CHAIRMAN. It would probably be a little more effective with the teamsters than somebody else.

Mr. KRITCH. That is right.

The CHAIRMAN. So you thought it would be effective and therefore you applied it when you got to teamsters?

Mr. KRITCH. Yes; we did.

The CHAIRMAN. All right. Proceed.

Mr. KENNEDY. You had a falling out with Mr. Lower. He fired you first, and then he rehired you; did he?

Mr. KRITCH. No. I had a falling out—that is right, we were fired, taken off salary, and then hired at \$10 a deal only commission. I came back to the office after seeing Jimmy Hoffa the day before—I came back to the office—in the meantime my partner, he quit. Since then he has not spoken to me, and in a way I can't blame him. I went back to work for one reason, waiting for the housebreaking which I was interested in, because I had sold so many friends of mine, good decent people, and my own relative, my mother-in-law whose husband was an AFL steamfitter for over 40 years, he is not living today—I figured I would stick it out and see what happened. Maybe things will change. Maybe I can open up Jimmy's eyes and get this Henry Lower out of here and out of Sun Valley in some way, although I knew that there was just a little point of hope.

I went back to work. Bill Gurney helped me for one reason. He said he told Henry Lower, "We don't have any salesmen now, and you better hire Kritch back at least to sell some property so we can bring some revenue in. So we went along and things were on an equal basis again and we went to Florida on the housebreaking. I was down there and we had quite a program put on. They had between 4,500 and 5,000 people at the project. The boulevard was paved. They had 6 or 7 models and the models were priced away out of proportion.

Mr. KENNEDY. This is model homes?

Mr. KRITCH. These model homes to show. They were built on a trailer sort of setup, all in line, and they were priced up around \$14,950 to \$16,000, and I understand that the reason he got those is if they sold any the profit on them would be around \$5,000 per house, which Henry Lower had in his dreams that those houses would go real good. We knew he was wrong, that the type of homes people wanted there was 10 or 11 thousand dollar homes. I investigated that while I was down there in Florida. I talked to people in trailer camps and in trailers and in cottages and places from Orlando which was 37 miles away. They were working at the missile base. They were not satisfied in that high price of a home. Anyway, we didn't sell a house. We got back home and I wanted to have it out then. I wanted to find out why they didn't build or put in a retirement type of homes. He told me it wasn't any of my business and just go along selling lots.

So about 3 or 4 days later I caught him pretty well unawares. He was in pretty fair spirits. Some days he would be moody. Some days he would be full of fun. This particular day he says to me, "Not a bad business, hey, Joe? \$20,000 a month coming in." He says, "There are not businesses like that making that kind of money." So I kept listening to him. He says, "You know, when I get done assessing these people"—

The CHAIRMAN. Get done what?

Mr. KRITCH. Assessing these people down in Florida, teamsters or regular people that purchase lots, he says, "The ones that can stand it, that have the money, they will own the property, but the ones that can't stand it, when they get done paying for it, I will end up with

the property, lots and all." According to the contract we gave the people, it was pretty stiff. If you read that contract, Senator, you would see what he said was just so.

The CHAIRMAN. They had been promised that they would not be assessed for the streets in this letter?

Mr. KRITCH. Yes; that was for the streets, Senator. But that wasn't for anything else. Until the improvements would be made, his picture was that he had always told us that they would be assessed always the market value down there.

Now he turns around and changes and says that he is really going to put it on them. In the meantime, I knew a lot of people that I had sold to, that they were lucky to make the \$10 a month payment on the lot to keep it.

It was just going to be one thing, that they were to keep going to be forfeiting and forfeiting and they would have lost what they had in it.

The CHAIRMAN. In other words, his scheme was, according to your testimony—and this is the impression that you are giving—his scheme was to keep selling them and selling them, and then after they were sold and he got the downpayment, then he would put the pressure on by making assessments on them that they could not bear, and, therefore, he would get it all back again.

Mr. KRITCH. That is it.

The CHAIRMAN. That is the impression you are giving; is that correct?

Mr. KRITCH. What he wanted to do is what property we had sold, and we had sold over—well, here is a plot here. I will show you.

The CHAIRMAN. Just tell us about how much.

Mr. KRITCH. We would say that there was 2,200 lots sold.

The CHAIRMAN. 2,200 lots had been sold?

Mr. KRITCH. In Sun Valley.

The CHAIRMAN. That is a minimum of \$450 a lot, or how much?

Mr. KRITCH. Well, the first bunch of teamsters bought them for \$150, 450 of them. Now, a lot of them had canceled out, but a lot of them had canceled, see. I don't know exactly the figures on how many had canceled out and how many kept them, but the 450 teamsters are in that group.

Of course, they didn't pay as much as the people who paid \$545, but when that \$545 picture—which worked this way: \$50 down and \$10 a month through the Bank of the Commonwealth—that money would, eventually, in 4½ years pay for the property.

Then, when they got all that money in, or just before the climax of them being paid, then he was going to step in with the improvements and the big assessments so-called, where a lot of people I know could not afford it and stand it, that they would eventually lose it.

The CHAIRMAN. According to your testimony, it was planned to give the folks a good rooking, just take it away from them?

Mr. KRITCH. That is right. Not only that but he had gotten a very, very nice fellow, the president of the Commonwealth Bank, by the name of Robert McCarthy, and they went to Florida to borrow some money for these improvements on the property.

The CHAIRMAN. Is that when the \$300,000 loan was made in Florida?

Mr. KRITCH. Yes. The first loan was for \$100,000—no. The first

loan was \$200,000 and I think the second loan was \$100,000. Anyway, it is one or the other.

But they borrowed \$300,000 from the National Bank of Orlando, Fla., from a Mr. James Ford.

This money was supposed to be for the improvements in Sun Valley, but Henry Lower didn't spend it for the improvements of Sun Valley. He spent it on different projects around Detroit. He wanted to buy a Sun Valley square on Meyer and Six-Mile Road.

He has been buying ice cream shops and building places, buying property along McNichols Road and forgetting about the hard surface roads and things that would improve Sun Valley where people could go down there and retire.

In the meantime, they had come back. I understand that Bob McCarthy got a commission of \$1,000 for going down and getting him this loan from James Ford as one banker to another banker.

Henry Lower, one day in the office we had received a letter and in the letter was a clipping that Mr. James Ford had committed suicide or had passed away down in Florida. He laughed about that, too, because we had got the loan, Sun Valley did, 3 or 4 weeks prior to that.

The way it looked to me, James Ford must have investigated into the deal and found out there was nothing being spent for improvements and probably shot himself.

The CHAIRMAN. All right, Mr. Counsel, proceed.

Mr. KENNEDY. You had a falling out. You went to see Mr. Hoffa to try to discuss it with him, as I understand it, you went to his home to bring him a letter, and he would not see you at that time.

Mr. KRITCH. Yes; I finally, the day that I left——

Mr. KENNEDY. We do not have to go into all the details, but that is roughly what happened; is it not?

Mr. KRITCH. I wrote a letter. Well, I went to the teamsters headquarters to see Jimmy Hoffa and I couldn't see him. He wasn't there. And so I figured the next best thing to do was to write a letter. I wrote this letter about 6 or 7 pages long, and I mentioned in it that I thought Jimmy had done some good in the organizing of the teamsters, and my dad was a union man, and I was in the union, naturally, when I was at Chrysler, prior to that before I went into baseball.

And I also stated everything that Lower was doing and had done, and I wanted to open his eyes. I wanted to give it the last straw before I left Sun Valley, because I was thinking of 466 lots that had sold during the course of my relationship with Sun Valley, and the people I worked with and associated with, and the people that I sold the property to that were good, decent, honest people, that trusted me.

I figured I still might give it that last whack to Hoffa and explain to him just what was happening down at Sun Valley, so I took the last step and I went to his home.

I got there about 9:05 in the evening. The Cadillac was parked on the side. It was on Robeson Avenue, the second house from the corner. The spotlight was shining on the Cadillac. There was 1 light in the living room, the television was on and his boy was sitting in the 1 chair.

The CHAIRMAN. Can you not shorten it? It does not matter whether the boy is sitting in 1 chair or 2.

Mr. KRITCH. I want to give you the picture.

The CHAIRMAN. All right. Go ahead.

Mr. KRITCH. I rang the doorbell and asked for Jimmy Hoffa. He said his dad wasn't at home. In the meantime, I saw Hoffa hiding behind the curtains of the living room. I said it loud enough, I said, "I am Joe Kritch." The door was open. "I am from Sun Valley and I want to talk to your dad."

From dark into light you can see pretty easily, Senator. He ducked his head behind the curtain. You could see part of his neck. It was like a little boy hiding from the truant officer. He says again, "My dad is out of town." I said, "Well, then, you give him this letter." So I gave him the letter. I left and went home.

The next day I came to Sun Valley——

The CHAIRMAN. You saw Hoffa there? Are you sure?

Mr. KRITCH. Absolutely, I saw him there.

The CHAIRMAN. You know he was there?

Mr. KRITCH. Yes, sir.

The CHAIRMAN. And he would not see you and you left the letter?

Mr. KRITCH. Yes, sir.

The CHAIRMAN. That is the letter you have been talking about?

Mr. KRITCH. Yes, sir.

The CHAIRMAN. Proceed.

Mr. KRITCH. Then I went home and the next morning I came back to Sun Valley, and I knew what was going to happen. Before Gurney could open his mouth I said, "I quit."

That afternoon it still bore down on me. It just made you burn inside the things that were going on. Lower had got the letter during the course of that night, or when I had left Hoffa's home, or got it the next morning and he naturally told Gurney to fire me, but I quit before he had a chance to fire me.

The CHAIRMAN. You spoke first.

Mr. KRITCH. Pardon me?

The CHAIRMAN. You spoke first so he could not fire you. You just quit.

Mr. KRITCH. That is right, sir.

The CHAIRMAN. All right.

Mr. KRITCH. I left and went on down the street to a very good friend of mine at a used-car lot, Joe Carpenter.

Mr. KENNEDY. I do not think we have to go into that part of it.

The CHAIRMAN. Let us get right at the point as much as we can.

Mr. KENNEDY. Anyway, you were deeply incensed at Mr. Lower; is that right?

Mr. KRITCH. That is right.

Mr. KENNEDY. You feel, looking back on it, that even on the lots that you sold that you had assured people of a situation that did not exist in Sun Valley; is that right?

Mr. KRITCH. Well, Mr. Kennedy, at this time, before I close, I don't care, I know it had been a thing that you started to believe in. Being in sports all your life, you never would think that things like that exist. I believe that in the United States of America you should be able to walk down the street and be free to talk and be at ease at all times.

I don't believe, I can't believe, that things existed like it did, by reading these newspaper articles and then being connected with it unintentionally—I didn't invite myself into the deal. I thought it

was a terrific thing for people looking at their old age coming up on them and going down to a nicer climate to retire.

I thought, actually, that I was doing a good thing. But vicious hands—it just is like—it is hard to explain. I guess it is like a pearl diver diving into the sea and an octopus sneaking up behind you and putting his long tentacles around you.

You are at the point where you think you are doing the right thing, and you keep doing it and keep doing it. It is also a living. People today have called me and talked to me. Like just before I came down here Wednesday night, I got a call from a very, very nice man that is in the hospital and sick over the two lots that I sold him. He is 65 years of age.

He is worrying himself to death because he thinks that he bought something bad. I quit the place. They always own up back to the salesman.

The CHAIRMAN. Naturally, they blame you because you made these representations to them.

Mr. KRITCH. That is right, sir.

The CHAIRMAN. And they hold you primarily responsible, those that you sold to?

Mr. KRITCH. Yes, sir.

The CHAIRMAN. Now you are embarrassed, aren't you?

Mr. KRITCH. Well, yes; I am.

The CHAIRMAN. You say you went into it in good faith. You only gave to them the representations that were made to you by the people who were promoting it?

Mr. KRITCH. That is right, sir.

The CHAIRMAN. The people who owned it. Now you find that you have gypped a lot of your friends.

Mr. KRITCH. My own relations and brother—even my own brother. He called me, too, the other day and raised heck with me. He wanted to know where his \$1,000 was.

Mr. KENNEDY. One last question. Is it your understanding or feeling that this money that was coming into Henry Lower and Sun Valley, the loans and money that was coming in from the selling of these lots, was actually, a good part of it, going into Mr. Henry Lower's pocket rather than going into the improvements in Sun Valley?

Can you answer that briefly?

Mr. KRITCH. Well, Henry Lower bragged during the summer how he had bought a 1957 Cadillac, a new station wagon, bought himself a \$37,500 home and \$5,000 for attic improvements for rooms upstairs.

He says, "Huh, I am doing better than the boss. He is driving a 1956 Cadillac and living in that dump of his."

The CHAIRMAN. Who is the "boss"?

Mr. KRITCH. Jimmy Hoffa. He said, "Jimmy is still living in that dump and I am living in a \$37,000 home now." He first was going to buy a \$55,000 home out in Dearborn but something happened. The owner wanted to sell it to him first, but then I guess he changed his mind and he got his money back.

The CHAIRMAN. But anyway, he had no money when he started this project, I believe you testified, in the beginning?

Mr. KRITCH. Lower couldn't buy a postage stamp.

The CHAIRMAN. When he started this project?

MR. KRITCH. That is right, sir. I would say that all the money—Lower was strictly in charge of it, and the money only has to be distributed one way, and I know which way that is.

THE CHAIRMAN. Are there any further questions?

MR. KENNEDY. That is all, Mr. Chairman.

Senator CURTIS. I have no questions, Mr. Chairman.

THE CHAIRMAN. Thank you. Stand aside.

Call the next witness.

(The witness was excused.)

MR. KENNEDY. Mr. Bellino.

(Present at this point were Senators McClellan and Curtis.)

TESTIMONY OF CARMINE S. BELLINO—Resumed

THE CHAIRMAN. Mr. Bellino, you have been previously sworn. You may proceed.

MR. KENNEDY. Mr. Bellino, when you testified the other day, we were discussing two business agents that had worked on Mr. Hoffa's and Mr. Brennan's property for a period of approximately 2½ months; is that right?

MR. BELLINO. That is correct.

MR. KENNEDY. And you had the amount of salary and expenses for Mr. Chuck O'Brien for that period of time, but you did not have the salary and expenses of the other business agent, Bush.

MR. BELLINO. Yes, sir. I have the correct amounts for both of them at this time.

MR. KENNEDY. Would you put those in the record, please?

MR. BELLINO. Charles O'Brien received a total of \$1,842.19, and Alvy Bush received a total of \$1,929.06, or a total for both of \$3,772.25.

MR. KENNEDY. That is during this pertinent period of time?

MR. BELLINO. This was from July 1 to September 14, 1956.

THE CHAIRMAN. That is during the period of time, the 2 or 3 months they were up there working on Jimma Hoffa's property?

MR. BELLINO. Yes, sir.

THE CHAIRMAN. And this money was paid out of the union?

MR. BELLINO. Yes, sir.

THE CHAIRMAN. And the work was what period? Does it show the period, the months?

MR. BELLINO. July, August, and 2 weeks in September.

THE CHAIRMAN. July, August, and 2 weeks in September?

MR. BELLINO. Yes, sir.

THE CHAIRMAN. These two men, O'Brien and Bush, drew that much money out of the union funds while they were up there working on the private property of Mr. Hoffa?

MR. BELLINO. That is correct.

THE CHAIRMAN. All right.

MR. KENNEDY. Mr. Bellino, have you been making a study of Sun Valley, the Sun Valley project?

MR. BELLINO. Yes, sir.

MR. KENNEDY. And also Mr. Henry Lower?

MR. BELLINO. Yes, sir.

MR. KENNEDY. Could you tell the committee what you have found as to the background of Mr. Henry Lower, as to the time he was on the payroll of the union and the amount of money he was receiving

from the union and the relationship with Sun Valley? Could you describe what you found regarding that?

Mr. BELLINO. Mr. Henry Lower was on the payroll of local 299, from March 12, 1954, through June 28, 1956, at which time he received salary the first year, 1954, of \$8,100; in 1955, \$10,800; and for the 6 months in 1956, \$5,200.

In addition, from local 299 he received advances and expense allowances in 1954 of \$2,398.36. In 1955, \$7,081; in 1956, \$18,900. I might mention that this also includes loans to Henry Lower from local 299.

Mr. KENNEDY. That is from Jimmy Hoffa's own local?

Mr. BELLINO. That is Mr. Hoffa's own local.

Mr. KENNEDY. Have you got the total there for that period of time?

Mr. BELLINO. From local 299, it is \$52,479.36.

Mr. KENNEDY. Was he in the Sun Valley project during at least part of 1955 and all of 1956?

Mr. BELLINO. The Sun Valley project was started, I believe, around the middle of November 1954, at which time earnest money was paid on the land.

Mr. KENNEDY. So he was receiving his salary from these locals for a period of a year and a half of which he was also operating Sun Valley: is that right?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. And the total amount that he received from local 299—

Mr. BELLINO. Some \$52,000.

Mr. KENNEDY. \$52,000?

Mr. BELLINO. In addition, from local 376, of which he was an officer from March 4, 1955, to the end of the year, he received as so-called business agent's or organizational expenses allowances a total of \$18,435.

The CHAIRMAN. That is for what year?

Mr. BELLINO. That is in 1955.

The CHAIRMAN. \$18,435?

Mr. BELLINO. Yes, sir. Also, a check for \$4,000 which was payable to local 376 but which was endorsed and cashed by Henry Lower in September of 1955, of \$4,000.

The CHAIRMAN. Did that money ever get into the union treasury?

Mr. BELLINO. This came out of the union treasury.

The CHAIRMAN. Out of the union treasury?

Mr. BELLINO. Yes, sir. It was dues money which was taken out by Henry Lower.

The CHAIRMAN. How is it charged out?

Mr. BELLINO. Payable to him, Henry Lower, business agent or organizational expenses.

The CHAIRMAN. Does it show what for, salary, expenses or what?

Mr. BELLINO. Business agent or organizational expenses allowance, the major portion of it.

The CHAIRMAN. All right.

Mr. BELLINO. In addition, in 1956, there was \$1,261.80—

The CHAIRMAN. How much?

Mr. BELLINO. \$1,261.80, and also \$1,243.85 for officers and delegates expenses. We found four payments in 1954, from June 7, to June 17, 1954.

The CHAIRMAN. That was prior, was it not, to the date of the beginning of Sun Valley?

Mr. BELLINO. Yes, sir. This is just money that he received from the union.

The CHAIRMAN. I would like to get it broken down so we can tell how much money he drew from these two locals or any other union source during the time he was promoting this Sun Valley project.

Mr. BELLINO. All of what I have mentioned is during the time, except local 299 from March 12, 1954, to December 31, 1954, when he received some \$10,498.

The Sun Valley project land was not consummated, the purchase of it, until March of 1955. However, he made his first earnest money deposit in November of 1954. What I was trying to show first was all the money that Henry Lower has obtained from the union, local 376, local 299 and also from joint council 43—

The CHAIRMAN. We have not gotten to joint council 43 yet.

Mr. BELLINO. No, sir; not yet.

The CHAIRMAN. Was he drawing money from it, too, during all of this time?

Mr. KENNEDY. Could you give us the money he received for 1954?

Mr. BELLINO. Local 276, \$25,340.65.

The CHAIRMAN. What is that figure, for what time?

Mr. BELLINO. \$25,340.65 is the total amount of moneys Henry Lower received from local 376.

The CHAIRMAN. How much did he receive total, from 299?

Mr. BELLINO. \$52,479.36.

The CHAIRMAN. All right.

Mr. BELLINO. From joint council 43 there were 2 checks, 1 charged to miscellaneous and the other transportation expense, the total was \$13,612.65, or a total from all 3 union sources of \$91,432.66.

The CHAIRMAN. Over what period of time?

Mr. BELLINO. That goes from the time he started to work organizing salesmen—automobile salesmen—which is about March 12, 1954.

Mr. KENNEDY. Until what time?

Mr. BELLINO. Until June 1956.

Mr. KENNEDY. Can you deduct from that, Mr. Bellino, the money he received prior to coming into the Sun Valley project?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. That would be the 1954 payments.

Mr. BELLINO. Deducting what he received prior to December 31, 1954, which amounts to \$10,898.36, he received from January 1, 1955 through 1956, a total of \$80,534.30.

Mr. KENNEDY. What are those dates again?

Mr. BELLINO. From January 1, 1955, to June 30, 1956.

Mr. KENNEDY. How much?

Mr. BELLINO. \$80,534.30.

Mr. KENNEDY. State it again.

Mr. BELLINO. \$80,534.30.

Mr. KENNEDY. Mr. Bellino, some of that was salary, some was expenses, and some was loans or advances.

Mr. BELLINO. That is right.

Mr. KENNEDY. Do you have that broken down, or is that the total figure?

Mr. BELLINO. That is the total.

The CHAIRMAN. What did the loans total?

Mr. BELLINO. The loans from local 299, \$18,900; \$21,000 altogether in loans.

Senator CURTIS. Were they repaid?

Mr. BELLINO. There were some repayments; yes, sir.

The CHAIRMAN. Deducting the loans, that leaves \$59,000, assuming they were repaid. I don't know whether they are or not. Assuming that the loans were repaid, that leaves \$59,000 that he drew out of the union in salaries and expenses from January 1, 1955, to June 30, 1956. In other words, in 18 months; is that correct?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. All that time he was promoting this Sun Valley project.

Mr. BELLINO. Yes, sir.

The CHAIRMAN. I hardly see why he needed the Sun Valley project. Go ahead.

Mr. KENNEDY. It is also of significance that the loan came from the local during the period of time in which he was setting the Sun Valley up; is that right?

Mr. BELLINO. The initial loan in starting the venture was a \$10,000 check from local 299 to local 985; 299 is Hoffa's local; 985 is Mr. Buffalino's local. From 985 on the same day, \$10,000 went to Henry Lower. Henry Lower received that in August 1954, and it was in November that \$6,000 of the \$10,000 was used as earnest money in the purchase of the land.

Mr. KENNEDY. Local 299 loaned \$10,000 to 985. Jimmy Hoffa's local loaned \$10,000 to Bill Buffalino's local.

Mr. BELLINO. That is right.

Mr. KENNEDY. And, on the same day, Bill Buffalino's local 985 loaned \$10,000 to Henry Lower.

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. That is in 1954.

Mr. BELLINO. That is right.

Mr. KENNEDY. A few months after the first earnest money was put down as a payment on Sun Valley.

Mr. BELLINO. Yes, sir.

The CHAIRMAN. In checking the books, was any interest paid on this money?

Mr. BELLINO. No, sir.

The CHAIRMAN. Another loan without interest?

Mr. BELLINO. Yes, sir. I might mention, in connection with local 376, as may be seen, all this money that went to Henry Lower, over \$25,000, the records that I examined, I would say, are one of the worst set of union records that I have seen or that we have had to examine, in that the addition of the cash-receipts book, just adding up the column, doesn't come out right. That is just simple adding. You can't be too sure of these particular figures. There may be some more. We just have not had the time to get it complete and accurate insofar as local 376 is concerned.

The CHAIRMAN. That was Mr. Lower's own local?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Have you any other comment to make on that, as to the books?

Mr. BELLINO. The reports of local 376, local 299, and all the locals in Michigan, which are submitted to the Department of Labor, no individual could tell what the true financial condition is of any one of those locals by the reports which are submitted to the Department of Labor.

I say that because they show on the bottom of the financial report just one item where they group the cash, investments, loans, furniture, and fixtures in one large amount, whatever it may be, and then they show no liabilities. So, even if they did publish a statement, the union member would not know what the true situation is in his local. He could have a million dollars in assets and maybe \$500,000 in liabilities and no one would know anything about it.

Henry Lower received from Sun Valley, starting in June 1955 through March 28, 1957, which are the records which were made available to us, a total of \$144,000—\$144,003.14. Or he has received altogether since the time that Henry Lower became connected with local 376 to March 1957, a total of \$235,435.80. The only repayments that we find total \$42,124.50.

The CHAIRMAN. What does that leave as a balance?

Mr. BELLINO. I want to correct the total. It should be \$239,435.80. I want to recorrect. It is—\$235,435.80 is correct. There was paid back some \$42,124.50; \$23,222 went to local 376 and \$18,902.50 was credited to Sun Valley.

Mr. KENNEDY. What is this figure again?

Mr. BELLINO. \$42,000—

Mr. KENNEDY. What is it?

Mr. BELLINO. This was paid off by Henry Lower from moneys he received from either Sun Valley or local 376.

Mr. KENNEDY. What is the \$235,000?

Mr. BELLINO. \$235,000 is all the money that Henry Lower has obtained or received from the joint council 43, local 299, local 376, and from Sun Valley itself.

The CHAIRMAN. That is from June—

Mr. BELLINO. June 1955.

The CHAIRMAN. It starts with January 1, 1955, does it not?

Mr. BELLINO. The project?

The CHAIRMAN. From Sun Valley the gross amount he received \$144,314; is that correct?

Mr. BELLINO. Yes.

The CHAIRMAN. That was from June 1955 until March 28, 1957?

Mr. BELLINO. That is right.

The CHAIRMAN. Prior to that, from January 1, 1955, through June 30, 1956, he had received from all of the unions some \$80,534.30.

Mr. BELLINO. Yes, sir.

The CHAIRMAN. That makes a total of how much?

Mr. BELLINO. I still have the \$10,000. Taking the \$10,000 out, that will make it—

Mr. KENNEDY. You are taking the \$10,000 out?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. That is already taken out here, because it started in January—January 1, 1955.

Mr. BELLINO. Taking the 1954 payments to Henry Lower, the total amount is \$224,537.44.

Senator CURTIS. That is less repayments.

Mr. BELLINO. That is the total amount paid. Repayments would be \$42,124.50; \$182,412.94 that Henry Lower has managed to get his hands on. That would be from January 1, 1955.

Mr. KENNEDY. That is money that he has gotten clear to himself.

Mr. BELLINO. That is right.

Mr. KENNEDY. That he has had available to him for expenses, for homes, or whatever he wanted during this period of time.

Mr. BELLINO. That is right.

Mr. KENNEDY. During this 2½ year period.

Mr. BELLINO. Or do anything he wanted to with it.

Te CHAIRMAN. 2¼-year period.

Mr. KENNEDY. In addition, he had some \$40,000 in addition, but which he has paid back in loans.

Mr. BELLINO. Yes, sir.

The CHAIRMAN. He had \$40,000 financing, in addition.

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. He has either spent or has in his home or his own personal bank account, during the period of the last 2¼ years, some \$182,000.

Mr. BELLINO. Either that or given it to someone else or shared it with someone else.

Mr. KENNEDY. In this Sun Valley project, Mr. Bellino, have we learned that Mr. Jimmy Hoffa had an actual interest in Sun Valley, or potential interest in Sun Valley?

Mr. BELLINO. We were told that Mr. Hoffa was the real owner.

Mr. KENNEDY. Were we told by Mr. Henry Lower when we interviewed him?

Mr. BELLINO. Yes.

Mr. KENNEDY. What did he tell us about Mr. Hoffa's interest in this project?

Mr. BELLINO. Mr. Henry Lower told us that he was ready to give 45 percent of the development to Jimmy Hoffa.

Mr. KENNEDY. And that Mr. Jimmy Hoffa had an option to purchase at the original cost 45 percent of this project?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. That he said he was so grateful to Mr. Hoffa for arranging the loans from the banks and performing these other services for him that he was willing to give Mr. Hoffa 50 percent of the project. He was willing to give him half of the project. But Mr. Hoffa said he wanted to purchase the project; is that right?

Mr. BELLINO. Yes.

Mr. KENNEDY. They wrote out an option for Mr. Hoffa to purchase the project at the original cost—45 percent of the project—at its original cost; is that right?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Is this similar to any deal we examined in the past in connection with this kind of activity, namely, the situation which Mr. Beck had with the toy trucks?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. We have requested, Mr. Chairman, over the period of the past 2 weeks from both Mr. Lower and Mr. Hoffa a copy of this option that Mr. Hoffa had. I had some conversations with Mr. Fitzgerald about obtaining this option. As I say, we have made the request over a period of about 2 weeks. Mr. Fitzgerald has been most

helpful in almost everything, and we are grateful for that. We have not been able to get this option of Mr. Hoffa. I was wondering, Mr. Fitzgerald, if you could make a report to the committee about that?

Mr. GEORGE FITZGERALD. Mr. Chairman, I was asked by Mr. Kennedy in Detroit for a copy of this option. I must assume the responsibility for not producing the option at that time. My reason for not producing it, I forgot it. There were a lot of tag ends that we were trying to connect up and this is not the only thing I forgot in the process. It got out of my mind entirely because of other matters. Last evening Mr. Kennedy called me and said, "We would like to have that option," which was a reasonable request, because he had asked me about it before. I had gone into some other records of Mr. Hoffa and I told Bob I had completely forgotten about it. However, I will go to work on it now. So I called up Mr. Hoffa in Florida and asked him where I could get the option. It so happened that Mrs. Hoffa is also in Florida with Mr. Hoffa. He said that the option was home. If either he or his wife were there, they could find it. There is a young lady there and he was going to call her and get the option and try to get the option to Mr. Kelly of your staff.

If he did not get it to Mr. Kelly of your staff, the girl was to wire me here through Mr. Kennedy's office, at the attention of Mr. Kennedy, but through Mr. Bellino, so we would have it while the hearing was going on and give me at least the contents of the option in the wire. As a double check, I called Irving Boigon, who is the attorney for Henry Lower, and I told Boigon the situation and I felt a responsibility here, because it had been asked for, and frankly I had not gotten it for Mr. Kennedy. I told Mr. Boigon to contact Lower to see if it is in Lower's files or in any event to turn it over to Mr. Kelly. I said if you don't do that, get me a wire addressed to me at the committee staff office this morning. When he called me back he said that Lower did not have the option—he was home—but that he was going to try to run it down. So I told him to call Mr. Kelly at either your office in Detroit or at the hotel and explain the situation to Mr. Kelly because he was leaving early this morning. What I am doing is awaiting word. The option exists.

I might say this of my own knowledge, and this is when I first found out about it, that Mr. Hoffa in a statement to the internal revenue agents in the current investigation—this is some time ago—stated that there was an option that he had from Mr. Lower, which was given by Lower to him at the time he cosigned the note at the Commonwealth Bank for \$50,000. I haven't got the date that Lower borrowed with Hoffa as a cosigner \$50,000 from the Commonwealth Bank. But I know the committee has. The contents of the option as I told Mr. O'Donnell this morning were, I believe, somewhat less than 50 percent of the stock that Mr. Lower had in Sun Valley.

Mr. KENNEDY. Were Mr. Hoffa and Mr. Brennan in it or was it just Mr. Hoffa?

Mr. FITZGERALD. No, I think the option—I am not sure whether there was one option for both or whether there was a separate option executed.

It would not be one-half to Hoffa, but it would be one-half to Brennan and Hoffa, who, in turn, would have one-half of the one-half.

Mr. KENNEDY. So they would each have a quarter?

Mr. FITZGERALD. Yes, that is my understanding.

Mr. KENNEDY. That was an option to purchase at the original cost of the project, is that right?

Mr. FITZGERALD. Well, I thought it was and I have stated here since I heard Mr. Bellino say it to you, I thought it was at the market value at the time the option was exercised.

This I am not familiar with because I had nothing to do with it. Now, it strikes me since he said that, it strikes me it was at the market value at the time that he executed the note as a cosigner. I don't—it is a distinction without a difference because I think as far as value is concerned, the value would probably be about the same. I wrote this memorandum.

I will make this representation to the committee, that I will personally see that the option is obtained and turned over to the committee staff.

The CHAIRMAN. When the option is obtained, it will be made exhibit No. 31 and will appear at this place in the record.

(The document referred to was marked "Exhibit No. 31" for reference and may be found in the files of the select committee.)

The CHAIRMAN. You are confident we will get the option?

Mr. FITZGERALD. Yes.

The CHAIRMAN. I place it in the record at this point.

Mr. FITZGERALD. The reason I am confident, Mr. Chairman, and I want to make this plain, is my first knowledge of it was when the statement was made to the Internal Revenue Department, so I am confident that the option exists or else there wouldn't have been a representation made at that time.

The CHAIRMAN. All right; we will get the option.

Mr. KENNEDY. Can we have that memorandum?

Mr. FITZGERALD. Yes; I am just doing this by ear.

The CHAIRMAN. I can appreciate that your information as of today might not be completely accurate, and, therefore, I am saying that when the option comes, it will be placed in the record at this time.

Mr. KENNEDY. It says here:

The option, I understand, had no time limit but covered an option for Hoffa to purchase the stock at the market value at the time of the note.

Mr. BELLINO. That is as of April 28, 1955.

Mr. KENNEDY. That is of great significance, Mr. Chairman, because the teamsters were investing money in the project through Mr. Lower. Mr. Lower had gone to the bank where the teamsters had large amounts of money and had obtained 2 loans amounting to \$7,500 for this operation, and Mr. Brennan and Mr. Hoffa had this option to buy at the time of the note.

If the project was successful, it would be a tremendous killing for both Mr. Hoffa and Mr. Brennan. If it was not successful, of course, they did not have to exercise the option.

Is that correct, Mr. Bellino?

Mr. BELLINO. That is correct.

Mr. KENNEDY. This story does not end there by any means. Let us go back. Originally what was paid for this project by Mr. Lower, originally?

Mr. BELLINO. The land cost \$150,000 according to their documents. It consisted of 2,475 acres, which Mr. Lower stated was plotted into 8,000 lots; 8,000 into 150,000 makes the cost per lot \$18.75.

The CHAIRMAN. The cost of the lots would be what?

Mr. BELLINO. \$18.75.

Mr. KENNEDY. How much money did Mr. Lower actually put up?

Mr. BELLINO. \$6,000 in November of 1954, which appears to have come from that \$10,000 that he got from local 985, and which 985 got from 299.

The CHAIRMAN. He put up \$6,000 for the downpayment?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. How much was put up subsequently?

Mr. BELLINO. Then \$3,900 was paid on March 28, 1955, which was the time they borrowed \$50,000 from the bank in Detroit, and the note was endorsed by Mr. Hoffa.

The CHAIRMAN. So they withheld \$21,000 of the amount borrowed for some other purpose?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. And that 29, plus the 6 originally paid, made \$35,000 they had actually invested in it?

Mr. BELLINO. The 39 plus 6 would be \$45,000.

The CHAIRMAN. Thirty-nine? I had the figure wrong.

Mr. KENNEDY. Did they put any money in after that?

Mr. BELLINO. Then they borrowed \$300,000.

Mr. KENNEDY. Before you go into that—

Mr. BELLINO. After that, the money that came out was coming off of the union. The union was paying most of the expenses, and paying also, some of the salaries as well as salaries to Henry Lower.

Mr. KENNEDY. You will have to explain that; \$150,000 was—has all that been paid, do you know?

Mr. BELLINO. No, sir. There is \$43,000 balance still due.

Mr. KENNEDY. But certainly the first two payments—on the original payment Mr. Lower was able to make that payment because of the loan that he received from the union, is that right?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. That is the first \$6,000 and the second payment, for \$39,000 came as a result of a loan from a bank, which bank would not have made the loan if Mr. Hoffa had not recommended the loan, and if the bank did not have large sums of teamster money in the bank, is that right?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. That is according to the bank's own records which we put into the record at the last hearing?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Although we did not have the rest of the story at that time. You were talking about the fact that the salaries of Mr. Lower and some of these others—

Mr. BELLINO. During this period of time from 1955 on, all of Lower's salary was paid by local 299.

Mr. KENNEDY. Mr. Hoffa's own local?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Do you know whether the trips he made down to Florida, Mr. Lower's trips, made down to Florida looking after this project, whether that expense was paid by any of the unions?

Mr. BELLINO. In connection with the travel, the indications are that they used a travel card of Joint Council 43. However, Sun Valley paid for the travel when the bills were eventually submitted.

The CHAIRMAN. So this expense and these other expenses here that he is getting from the union was not used according to your investigation, to pay his travel expenses down to Florida in connection with this property?

Mr. BELLINO. There may have been some, Senator, but where they used a credit card, it was not used.

The CHAIRMAN. Where they used a credit card it was not used?

Mr. BELLINO. That is right. In other words, in some cases Lower would submit a travel expense which was paid by the union, so there would be travel payments to him.

The CHAIRMAN. In other words, it is difficult to tell whether some of his travel down there was paid by the union or not, but you know some of it, though, was paid by Sun Valley?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. All right.

Mr. KENNEDY. You were talking about a \$300,000 loan in addition?

Mr. BELLINO. Yes, sir. In June of 1956, Sun Valley received a \$300,000 loan from the Florida National Bank at Orlando.

Mr. KENNEDY. Now, Mr. Chairman, again, the rest of this, which Mr. Bellino is about to recite now, should be listened to in view of the fact that we just brought out that Mr. Hoffa and Mr. Brennan had an option to purchase 45 percent of this operation.

The CHAIRMAN. All right; proceed.

Mr. BELLINO. I have an affidavit here from Mr. Omar P. Hewitt, Jr., vice president of the Florida National Bank. Shall I read it?

The CHAIRMAN. You may read it.

Mr. BELLINO. This is dated September 19, 1957:

I, Omar P. Hewitt, Jr., vice president of Florida National Bank at Orlando, Orlando, Fla., herewith make the following voluntary sworn statement. I have been told by Ralph W. Mills, staff member of the United States Senate Select Committee on Improper Activities in the Labor or Management Field, that my statement will be entered in the sworn record of testimony of that committee.

I have personal knowledge of most of the detail involved in 2 loans totaling \$500,000 made in 1956 by Florida National Bank at Orlando to Sun Valley, Inc., which is engaged in a land development in Brevard County near Titusville, Fla. Mr. Henry Lower, of Detroit, Mich., is president of Sun Valley, Inc., according to his statements and our records.

The CHAIRMAN. Let me interrupt a moment. Did you say \$500,000 or \$300,000?

Mr. BELLINO. Altogether it is \$500,000.

The CHAIRMAN. All right, proceed.

Mr. BELLINO (continuing):

The bank's first contact with this matter came in the form of a letter dated March 25, 1955, from Mr. Robert E. McCarthy, Jr., manager, Myrtle-14th Office, Bank of the Commonwealth, Detroit, Mich. It was addressed to "Cashier" of our bank and advised that Sun Valley, Inc., was contemplating the purchase of property for a subdivision or land development in Brevard County, Fla.

The letter stated that it was written at the request of Mr. Henry Lower, president of Sun Valley, Inc., and inquiry was made as to the forms necessary for the opening of a checking account for Sun Valley, Inc., in our bank.

Shortly thereafter this account was opened; and pursuant to subpoena, our bank has already furnished the above-mentioned Senate committee with the essential details of that account and its activity.

On Saturday, March 10, 1956, a promotion barbecue was held by the promoters of Sun Valley, Inc., at their premises near Titusville. The president of our bank at that time, Mr. William C. Ford who is now deceased, attended. I did not go.

Mr. Ford reported to the bank that at this barbecue he was approached by Mr. Lower and associates of Detroit with reference to obtaining a substantial loan from us for the purpose of developing Sun Valley, Inc. Mr. McCarthy of the Detroit bank also was present, according to Mr. Ford's report.

The request for the loan was formalized by a letter dated June 18, 1956, from Mr. Lower to Mr. Ford. The letter was on the stationery of Burns, Boigon & Winston, attorneys, 3080 Penobscot Building, Detroit, Mich.

Subsequently, on June 20, 1956, Sun Valley's account with us was credited with \$300,000, the amount of the loan we made. An additional loan of \$200,000 was made by the Florida National Bank at Orlando to Sun Valley, Inc. The proceeds of this latter loan were disbursed to Sun Valley, Inc., by our cashier's check dated November 21, 1956.

The \$300,000 was repayable with 5 percent interest at \$25,000 per quarter, meaning that it was to be paid in full 3 years from date. The \$200,000 was repayable with 5 percent interest at \$16,666.67 per quarter, thus making it due in full in 3 years from date.

The \$300,000 loan was secured by a 5 percent note dated June 20, 1956, and the \$200,000 loan was secured by a note dated November 20, 1956. Both were payable to the order of the Florida National Bank at Orlando and signed by Henry Lower, president of Sun Valley, Inc., 2741 Trumbull Avenue, Detroit 16, Mich.

I might say, that is the address of the teamsters headquarters.

The Sun Valley property prior to loans received from our bank already was encumbered by a first mortgage which, I have been told, is payable to Mr. Troy Deal, Sr., now of Fort Pierce, Fla., who sold the premises to the Sun Valley people.

A second mortgage not being bankable collateral, our bank was not interested in such and we received no mortgages as collateral for the two loans we made to Sun Valley, Inc. Instead, we accepted a moral assignment of various contracts for deeds made between Sun Valley, Inc., and purchasers.

In addition to the moral assignment of the contracts for deed, two principal factors influenced the bank's loan committee to grant the loan to Sun Valley, Inc.

Mr. KENNEDY. This is the part that is particularly significant, Mr. Chairman.

Mr. BELLINO (continuing):

These were:

(1) The principals of Sun Valley, Inc., were recommended to us by Mr. Robert E. McCarthy, Jr., of the Commonwealth Bank in Detroit, which bank is a correspondent of a member of our group of Florida national banks. At the outset of the negotiations for the loans the two principal owners of Sun Valley, Inc., were identified to our bank as Mr. Henry Lower and Mr. James R. Hoffa, an official of the teamsters union in Detroit.

Identity of the principals first came from Mr. Lower himself. I am not familiar with the exact number of shares held by either of these principals. Mr. McCarthy said that his bank's relationship with the teamster accounts had been most satisfactory.

(2) We were assured by Mr. Lower in the presence of Mr. McCarthy that a teamsters' account would be established at our bank with balances equal to or in excess of any loans granted to Sun Valley, Inc., by us. We were assured, also, that these balances would be maintained with our bank during the life of any loans. These promises have been complied with to date.

On June 20, 1956, Truck Drivers' Local, No. 299, Detroit, Mich., opened an account in the Florida National Bank, at Orlando, with a deposit of \$300,000. On November 17, 1956, another deposit of \$200,000 was made to the same account. These deposits were in the form of bank drafts or cashier's checks and, to the best of my memory, these two checks were issued by the Commonwealth Bank of Detroit. The \$200,000 deposit was brought to our bank personally by Mr. Lower.

According to signature contract covering the depository account of Truck Drivers' Local Union, No. 299, authority for withdrawal from this account is granted to James R. Hoffa and Frank Collins, jointly, meaning both signatures are required for a withdrawal from this account.

As stated above, our bank was told by Mr. Lower in the presence of Mr. McCarthy at the outset of the loan negotiations that Mr. Hoffa had a principal interest in Sun Valley, Inc. At first Mr. Lower said that this interest of Mr. Hoffa could not be revealed publicly. He did not say why.

On November 16, 1956, Mr. Lower told me, personally, in the presence of Mr. McCarthy and our current president, Mr. Willard, that as of that time he was free to reveal Mr. Hoffa's interest, whereas, he had not been, previously.

I recall that at the time the second loan for Sun Valley, Inc., was being negotiated with our bank, the request was for a loan in the maximum amount of \$500,000. Mr. Lower, in the presence of Mr. McCarthy, stated that if the \$500,000 loan was granted, that the balance in the Truckers' Local, No. 299, account in our bank would be increased to \$1 million.

Mr. Lower said at this time that local No. 299 had \$13 million of their welfare fund on deposit in Mr. McCarthy's bank in Detroit. We declined to grant the \$500,000 application but did grant the \$200,000 loan described above.

I should add that pursuant to the subpoena served upon the bank we have already submitted to the committee a copy of interoffice memo prepared by our president, Mr. Willard, under date of November 20, 1956, which bears out my recollection of the negotiations for the second loan to Sun Valley, Inc.

Our records show that some time in 1955, Mr. Hoffa, Mr. Lower, and Mr. McCarthy called, personally, at our bank in Orlando in regard to the Sun Valley project. According to our records, these gentlemen visited with Mr. Ford at that time regarding the Sun Valley project.

I am not positive that I met Mr. Hoffa on that visit and have had no personal contact or dealings with him since that time.

The current principal balance due our bank from Sun Valley, Inc., is \$349,999.99. The current balance in Truckdrivers' Local No. 299 is \$400,000.

I have read my statement consisting of three pages and state that it is true to the best of my knowledge.

(Signed) OMAR P. HEWITT, Jr.,
Vice President, Florida National Bank at Orlando, Orlando, Fla.

Witness:

(Signed) RAEPHIS MILLS.

Sworn to and subscribed before me this 19th day of September, A. D., 1957.

(Signed) MARGARETT B. PARROTT, Notary Public.

Mr. KENNEDY. Do you have some of the documents from the bank that we obtained under subpoena?

Mr. BELLINO. Yes, sir. I have a document November 20, 1954, from C. Earnest Willard, president of Orlando, to Byrnes Lee, assistant coordinator at Jacksonville, in which he states, among other things:

Colonel Lower went on to say that during the week of December 4 we would get a certified check for \$1 million from the truckdrivers union and that it would go into a special welfare fund—

and in another section of the memorandum he also states:

Sun Valley, Inc., is a private enterprise, separate and apart from the truckdrivers union. Mr. James R. Hoffa is president of the truckdrivers local union 299 in Detroit and has authority to place their accounts where he wishes, although the charter does not give him authority to pledge or guarantee that these funds will remain on deposit.

Mr. Hoffa and Colonel Lower, the largest stockholders in Sun Valley, Inc., until recently Colonel Lower did not have authority to disclose Mr. Hoffa's interest in Sun Valley, Inc.

According to Colonel Lower, Mr. Hoffa is slated to become president in 1962 of the international truckdrivers union, succeeding Mr. Beck.

Mr. BELLINO. In another memorandum, re Sun Valley, dated June 16, 1956, there is one paragraph:

Mr. Hoffa has discussed since talking to Mr. Ford the various cycles in the distribution of the money in the various cycles in the State. Our cycle will come up in either March or April 1957, and he wanted to assure us of \$1 million to invest for their teamsters union organization.

The CHAIRMAN. The affidavit and the memorandums may be made exhibit No. 32—the affidavit 32, and the memorandums A, B, and C.

(The documents referred to were marked as "Exhibits 32, A, B, and C for reference and may be found in the files of the select committee.)

The CHAIRMAN. The affidavit has been read into the record and it may be checked for accuracy with the original. The memorandums need not be printed in the record. They may be exhibits for reference. All right.

Mr. KENNEDY. Mr. Bellino, we have this situation, where a land deal was started by an official of the teamsters union, that he put down some money which he obtained by a loan from the teamsters. he put down some earnest money for the purchase of this land; is that right?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. During the period of time that he was trying to build this project up, he was financed by the teamsters union; is that right?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. That the highest official, Mr. James Hoffa, of the teamsters union in that area went to a bank where the teamsters had large sums of money and obtained a loan for this other man so that he could finance this project.

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Then when they needed more money—large sums of money—some \$500,000 from a bank in Florida, Mr. Hoffa agreed to place teamsters money in that bank in Florida.

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Teamsters money from local 299 of Detroit, Mich., was placed down in a bank in Florida; is that right?

Mr. BELLINO. That is correct.

Mr. KENNEDY. In order to induce that bank to loan money to the Sun Valley project.

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. During this whole period of time, Mr. Hoffa and Mr. Brennan had an option to purchase in this project at the original cost price.

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. May I add one other thing. This money that came out of Sun Valley—large amounts of it—amounting to \$180,000 during this period of time, went into the pocket of Mr. Henry Lower according to the records we received.

Mr. BELLINO. \$144,000 was diverted to Lower. In addition some \$84,844.57 was diverted to other business ventures of Henry Lower Associates in Detroit, Mich. Instead of going to be used in Florida, at least \$84,144.97 went into other projects. For instance, the financing of Igloo Ice Cream Drive-In places and a Sun Valley Square large development that was contemplated to be operated by Henry Lower Associates.

Mr. KENNEDY. So instead of going into paving roads and making other improvements in the Sun Valley project in Florida, as the money was supposed to, and for which the bank had loaned the money, the money was invested in new projects in Detroit.

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Do you have anything to indicate Mr. Hoffa's interest in the new projects in Michigan?

Mr. BELLINO. We have not fully developed that, Senator.

The CHAIRMAN. Pursue it.

Mr. BELLINO. We will.

Mr. KENNEDY. I mentioned before that there was a certain similarity between these projects and the one of the toy truck project of Mr. Dave Beck. There is a similarity but there is also a great difference in that this had far greater potential as far as being a lucrative business operation; isn't that true?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. This had tremendous possibilities for making a fortune for Mr. Lower, Mr. Hoffa, and Mr. Brennan; is that right?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. And all to the cost and to the risk not of Mr. Lower, Mr. Hoffa, or Mr. Brennan but of the teamsters union.

Mr. BELLINO. That is correct.

Senator CURTIS. I would like to ask you a question, if you know. When these lots were sold to individual purchasers, was the title of those lots subject to this preexisting mortgage that was on the land when purchased by Sun Valley?

Mr. BELLINO. Yes, sir. I believe the mortgage would be released as the lots were being sold, or that portion of it. That is the understanding I had.

Senator CURTIS. That was the understanding, but you don't know of your own investigation whether or not it was done?

Mr. BELLINO. No, sir.

The CHAIRMAN. The mortgages would only be released, I assume, when the lots were paid out.

Mr. BELLINO. That is right. As they make various payments, he releases certain of the property.

Senator CURTIS. But it was conditioned upon Sun Valley paying off the mortgage?

Mr. BELLINO. Yes, sir.

Senator CURTIS. Did they ever pay it off?

Mr. BELLINO. They brought it down to \$43,000 from \$105,000 originally.

Senator CURTIS. So far as the purchaser of an individual lot is concerned, his clear title was wholly dependent upon the performance of Sun Valley in paying their debts.

Mr. BELLINO. And Mr. Lower; yes, sir.

The CHAIRMAN. The committee will take a 3-minute recess.

(Short recess.)

The CHAIRMAN. Let us resume.

Mr. KENNEDY. Mr. Bellino, will you resume the stand.

Each one of these lots, Mr. Bellino, would have cost \$18.75, according to the figures that they have given to us?

Mr. BELLINO. That is the actual cost of the land itself without any improvements or any plotting or anything.

Mr. KENNEDY. Approximately, according to what we understand, there have been about 2,000 lots sold?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. And about 400 of those lots have been to teamster members; is that right?

Mr. BELLINO. That is right.

Mr. KENNEDY. That is according to the rough records we have.

Mr. BELLINO. Let the record reflect it is a teamsters' membership almost as you see the first lots that were sold to them back in 1955. You can recognize the employees of the various teamsters' unions just listed in the book as making a \$10 downpayment or \$50 downpayment on the lots.

Mr. KENNEDY. During this period of time, were there advertising programs being carried out among the teamsters? Business agents from teamsters going down to Sun Valley at teamsters' expense?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Movies being shown at teamster meetings of Sun Valley?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Advertising in the paper for teamsters to purchase these lots?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. All that was going on during this period of time?

Mr. BELLINO. That is right.

Mr. KENNEDY. Is there any record that we have that shows that the teamsters members knew that Mr. James Hoffa and Mr. Bert Brennan stood to get a return from this project?

Mr. BELLINO. We have not seen anything of that nature.

Mr. KENNEDY. So the teamster members were not told that Mr. Hoffa and Mr. Brennan had an interest in this project, is that right?

Mr. BELLINO. That is correct.

Mr. KENNEDY. They were just urged to buy because it would be a nice place for them to spend their old age or go to Florida.

Mr. BELLINO. That is correct.

Mr. KENNEDY. They did not know that Mr. Hoffa and Mr. Brennan, who were urging them to buy these lots, actually had an interest of their own?

Mr. BELLINO. That is correct.

Mr. KENNEDY. Can you also find another name of an individual who is of some interest to the committee who had purchased some lots down there?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. That name is what?

Mr. BELLINO. Johnny Dio.

Mr. KENNEDY. Could I call Mr. Kritch to the stand again, please?

TESTIMONY OF JOSEPH KRITCH—Resumed

Mr. KENNEDY. Mr. Kritch, you were familiar with the name of Dio. Did you hear it mentioned?

Mr. KRITCH. I heard it mentioned in the office. Henry Lower mentioned that he went to New York and sold him 30 lots.

Mr. KENNEDY. Could you tell the circumstances surrounding that story?

Mr. KRITCH. Well, it was just like he was another sale. He needed money. He went to New York. A big corporation was supposed to buy 2 or 3 streets of lots at one time. Lower was gone about 2 or 3 days. He finally came back, walked in the office, out of his inner office and called me and Fostino over and a couple of the other boys and said, "You see, I am still a good salesman. I sold two streets at one time in New York City." But he didn't mention who bought it

at that time. But then a month went by. I understand there was a downpayment of cash. There was no check turned over. A month or two went by and a payment was due and Johnny Dio's name came up and Hoffa says—I mean Lower, excuse me—Lower says, "I think I will foreclose on this big account in New York. After all, he is not paying and we are not getting our payments. I am just going to have to take his property away from him." That is when I heard the name Dio mentioned. I kind of felt sorry for Dio like the other people. Here he is ready to foreclose on him. Eventually I think he went to see Hoffa, Lower did, and finally Hoffa sent him in to New York to Mr. Dio, and I think he came up with some partial payment or something.

Mr. KENNEDY. Did he tell you that he came back with a payment?

Mr. KRITCH. Yes, he did, because he still owns the property.

Mr. KENNEDY. Dio still owns the property?

Mr. KRITCH. Yes.

Senator CURTIS. When someone buys a lot, what do they get? Do they get just a contract or do they get a deed and mortgage? What do they get as evidence of their ownership?

Mr. KRITCH. We make up a regular—I will give you, for instance, a copy of a particular deal that was signed by a customer who had bought two lots, and she decided she just couldn't handle another one. In fact, her little boy, a newsboy, bought the lot for his mother with the savings he got—he saved \$50 peddling papers—he purchased this lot. I remember this case pretty well. This is Mrs. Walsh.

Senator CURTIS. What does the purchaser get to keep in his possession to show he owns something?

Mr. KRITCH. We have them sign three agreements to deed. A lot of people take your word for it. They ask you how good it is. Here it is 1,200 miles away. Do you think it has a chance? Naturally we never said it was bad. We always said it was good and what we were told, it was that way. So we have them sign a copy here which you can have and also three deeds. All these three deeds go in the office. That is an agreement to deed.

Senator CURTIS. That is an agreement to give a deed?

Mr. KRITCH. We give them a copy of this, to the customer, a carbon copy, and we keep the main one which we bring into the office with our deposit.

Senator CURTIS. That is your contract.

Mr. KRITCH. That is right.

Senator CURTIS. Then they get an agreement that they will get a deed when they pay it out.

Mr. KRITCH. That is correct.

Senator CURTIS. If somebody paid you in cash, do they get a deed then?

Mr. KRITCH. No, no.

Senator CURTIS. Do they get any deed or contract or other evidence of ownership that is placed on record anyplace in deed records in Florida?

Mr. KRITCH. You see, they are recorded with the Brevard County in Florida. This is a Titusville paper and it states that 59 deeds to property located in Sun Valley, west of Indian River City, were recorded here Wednesday with the total indicated sales amounting to

\$34,200. This is a fifth group of sales recorded in Clerk G. M. Simons' office here since Sun Valley began sales in a huge acreage southwest of Titusville.

Senator CURTIS. Would there be any record of Johnny Dio's purchase, such that his deed would be recorded?

Mr. KRITCH. His could be recorded in your name or a friend's name or anybody's name, you know, if they didn't want it to be known that he owned the property.

Senator CURTIS. There is nothing recorded until they have paid the full amount; isn't that right?

Mr. KRITCH. That is right.

The CHAIRMAN. All right.

Mr. KENNEDY. Mr. Bellino, from a review of the records did you find that Mr. Dio had, in fact, purchased the property?

Mr. BELLINO. The records accurately reflect that the purchase of the property was Noah L. Braunstein, who was Mr. Dio's attorney, 475 Fifth Avenue, New York 17, N. Y., with title to the lots care of Equitable Research Associates Corp., Fisk Building, 250 West 57th Street, New York 19, N. Y. In the upper right hand corner of this card in very small writing there was in parenthesis "Johnny Dio." We find from the record, too, that only one payment appears to have been made on the lot, which was a downpayment. There were no payments after that. The date is February 28, 1956.

Mr. KENNEDY. Are there any other records that we need to put in now?

Mr. BELLINO. No, sir.

Mr. KENNEDY. All right, Mr. Bellino.

Mr. KENNEDY. Mr. Fitzgerald, would you identify this memorandum for us?

(A document was handed to Mr. Fitzgerald.)

The CHAIRMAN. Mr. Fitzgerald, were you sworn?

Mr. FITZGERALD. I was sworn in the absence of the chairman by Senator Ives.

The CHAIRMAN. We are reswearing all who appear at this series of hearings.

Do you solemnly swear that the evidence you shall give before this Senate Select Committee shall be the truth, the whole truth and nothing but the truth, so help you God?

Mr. FITZGERALD. I swear.

TESTIMONY OF GEORGE S. FITZGERALD

The CHAIRMAN. Proceed. You have been identified as counsel for a number of witnesses.

Mr. FITZGERALD. Yes. Mr. Kennedy has handed me a memorandum re Sun Valley, which I identify as my memorandum, which is signed by me and which I filed at the inception of the so-called Sun Valley project.

The CHAIRMAN. Filed where, Mr. Fitzgerald?

Mr. FITZGERALD. I think I can explain it very briefly.

The CHAIRMAN. All right.

Mr. FITZGERALD. At the time Sun Valley was incorporated, Mr. Lower came to my office and wanted me to incorporate Sun Valley as

a Michigan corporation. They were going to incorporate in Michigan and then register in Florida, because that is where the land was.

So I referred this incorporation to Mr. Joseph Gillis, in my office, who drew the incorporation papers. I then found when they were presented to me that Mr. Gillis and Mr. Lower had made Mr. Earl Kehoe, in Florida, a lawyer, and myself, incorporators with one share of stock.

We signed the incorporation papers and after that time Mr. Lower acquainted me with the method under which he had acquired the property. He had acquired this property under an option to purchase, and he believed that he could sell divided portions of the property or lots under this particular option.

I took the position at that time that he could acquire an option on acreage and could sell that acreage under the option, under his title, or if you wish to term it that, under the option, provided it was a legally described piece of property.

I said, however, that in my judgment as a lawyer, if he attempted to break that property down into lots and sell lots without being able to give a legal description of each lot, that he was actually dealing in a security rather than a piece of real estate.

There was a great deal of discussion about it and at that time a memorandum was furnished Mr. Kehoe from a professor of law, of real property, at the University of Miami. That was construed as being contrary to my opinion, but actually I don't think it was.

However, in the light of the controversy, or apparent controversy, Mr. Hoffa asked me and asked Mr. Kehoe, who had divergent views, not seriously divergent but divergent, to put it all in writing. We did and filed this memorandum.

The second portion of it, I would say on the third page, goes into the legal questions of their inability, in my judgment, to sell property without subdividing it, without obtaining a plat, which would be approved by the township or city authorities, and without being able to give a legal description of each particular piece of property that they were selling.

Subsequent to that, I resigned as a member of the board and turned back my one share of stock. I did not ever bill anybody for any of the work that was done, including the incorporation.

Later on—and I say this all in explanation—later on—strike that for a moment.

This action of mine in turning back the stock was done with complete agreement. Mr. Lower wanted me to represent him on a permanent basis, and I told him I was not a real-estate lawyer, and I could not represent him, and he retained other counsel.

After that time, Mr. Lower came to me and said, "Now, Mr. Fitzgerald, you had an objection to the method I was using in selling this property. You claimed I could not sell under an option unless I could legally describe each piece of property.

"Now, I can do that because I have now exercised the option, and I have acquired a deed to the property and signed a mortgage," which mortgage contained a clause covering releases of certain portions of the property as he was able to pay for it.

At that time I went to the Michigan corporation and securities commission and helped them arrange things so that they could, under the

rules of that corporation and securities commission, sell property in the State of Michigan.

I did not, as a lawyer, I did not receive any fee for it either, and did not bill for it. My opinion in the beginning stated that I did not—well, I can't remember exactly what I said. Mr. Kennedy has it there. But the first two pages, Mr. Chairman and Senator Curtis, should be read in the light of my opinion on the last few pages, the fact that they bought the property under an option as acreage and then were going to sell it without being able to give a legal description of each particular parcel they sold.

The CHAIRMAN. In other words, the effect of selling it that way would be like selling an interest, like stock.

Mr. FITZGERALD. A security.

The CHAIRMAN. It would be like selling stock.

Mr. FITZGERALD. That is right.

The CHAIRMAN. It was not identified, but was just in proportion to the amount of land that that interest would be related to the total.

Mr. FITZGERALD. That is right. My opinion as stated there was that if they were going to sell the property that way, they could not sell it as real estate, but they could sell it as security and if they sold it as a security, it was necessary for them to register with the Florida Securities Commission, the Michigan Corporation and Securities Commission, and also with the Federal Securities and Exchange Commission, if it was going to be an interstate transaction.

That was the whole sum and substance of it.

Mr. KENNEDY. Mr. Fitzgerald, you were, however, against this project from the beginning; were you not?

Mr. FITZGERALD. Well, I think my memorandum so states, but I say, Mr. Kennedy, in all fairness to the parties concerned, I was against the project. I only gave an opinion as a lawyer.

Mr. KENNEDY. Well, no, you say—

Mr. FITZGERALD. I would like to see it. I have not seen it since I filed it.

Mr. KENNEDY. You say:

After analyzing the situation thoroughly and giving it considerable thought, I am of the opinion that the contemplated program is unfavorable from both a legal and practical standpoint.

Some of the salient reasons for my conclusion are mentioned herein.

Then you say:

It is very obvious that no union funds can legally be loaned or invested in this venture at this time. The applicable law would certainly condemn placing union funds in such a program. As it stands now, it is not the kind of investment or loan that would be made by a conservative, reasonable, and prudent man, which is the basic legal test for determining whether or not the loaning of trust funds such as these is proper.

Further objection to such an investment or loan lies in the fact that as the matter is presently set up, there can be no return of any kind of profit or benefit to the union. At most, if the venture were successful, which is highly questionable, the union would obtain return of its own money and no more.

Apart from these objections, of course, is the obvious one that there is no collateral or security whatsoever for the loan or investment.

And then it goes on. I don't think there is any question that you were always against this project, is there, Mr. Fitzgerald?

Mr. FITZGERALD. Well, no, I don't—that is true. There isn't any question about that, but I was particularly against it—

Mr. KENNEDY. On what they planned to do originally?

Mr. FITZGERALD. On what they planned to do originally. My opinion later on, I would like to reserve it. But I said "practical" and so I guess I meant "practical." That is all. Whatever these words said I certainly stand behind. I am a little bit surprised, not being very versed in this field—well, all right. I didn't know it was my words, as a matter of fact.

The CHAIRMAN. Not being well versed, you did exceptionally well.

Mr. FITZGERALD. They sounded too good for me.

Mr. KENNEDY. I would like to make that an exhibit.

The CHAIRMAN. It may be made exhibit No. 33 for reference.

(The document referred to was marked "Exhibit No. 33" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. I would like to point out, Mr. Chairman, that despite this memorandum by Mr. Fitzgerald, the union went on to loan and to give and pay to Mr. Lower huge sums of union money, despite the fact that Mr. Fitzgerald, the attorney, had pointed out that it was not legally or practically a worthwhile investment.

The CHAIRMAN. It was not a proper investment.

Mr. KENNEDY. Not a proper investment, that is right. Although the loans were not made to Sun Valley directly, they were made to Henry Lower who, in turn, was setting up Sun Valley. At that time, he put up no collateral and did not pay any interest.

The CHAIRMAN. It appears that the committee could not finish the next witness, possibly, before lunch. Therefore, the committee is going to take a recess now until 1 o'clock.

(Whereupon, at 11:45 a. m., the hearing in the above-entitled matter was recessed, to reconvene at 1:30 of the same day.)

(Members of the select committee present at the taking of the recess: Senators McClellan and Curtis.)

AFTERNOON SESSION

(Present at the start of the afternoon session: Senators McClellan and Curtis.)

The CHAIRMAN. The committee will be in order.

Mr. KENNEDY. Mr. Kelly.

The CHAIRMAN. You do solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. KELLY. I do.

TESTIMONY OF JAMES P. KELLY

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. KELLY. My name is James P. Kelly. My residence is 3424 77th Street, Jackson Heights. I am investigator for the committee.

The CHAIRMAN. How long have you been with the committee?

Mr. KELLY. Since February 21 of this year.

The CHAIRMAN. Do you waive counsel?

Mr. KELLY. Under these circumstances, I do.

The CHAIRMAN. Let us proceed.

Mr. KENNEDY. Mr. Kelly, you have been doing some work out in Detroit lately?

Mr. KELLY. Quite a bit, sir.

Mr. KENNEDY. And you have been working on the activities of Mr. James Hoffa?

Mr. KELLY. Yes, I have.

Mr. KENNEDY. And one matter that you were working on had to do with a loan from the teamsters union to an individual in Detroit?

Mr. KELLY. That is correct, sir.

Mr. KENNEDY. And that loan was to a Mr. Bitonti?

Mr. KELLY. Mr. John Bitonti.

Mr. KENNEDY. Will you tell the committee what you found about that loan to John Bitonti, and what happened to Mr. Bitonti? You better spell the name.

Mr. KELLY. The name is B-i-t-o-n-t-i. His first name is John.

On September 17, I went to see Mr. Bitonti to interview him with regard to some information we had received. I was accompanied by Mr. Harold Ranstead, who is also an investigator for this committee. I questioned Mr. Bitonti on his business transactions with James R. Hoffa, and he told me that back in 1953 he had gone to Mr. Hoffa and asked him for a loan in order to go into the steel business.

I asked Mr. Bitonti why he had gone to Mr. Hoffa and he stated because he had known Mr. Hoffa through an incident that had occurred several years prior to this, in which he was having union trouble at a place in Hamtramck. The union was picketing him and he went to Hoffa to see if he could get them off his back. He was a little reluctant to discuss the particular details of this so we went on to the loan.

He stated he went to Hoffa also because he had heard that the teamsters were quite liberal with their loans to people that they knew. On the basis of this alleged friendship with Hoffa, he had gone to him and asked for \$40,000 in order to go into the steel business. He did subsequently start a company called the Byton, which was a takeoff on the spelling of his name. That was under his wife's name, maiden name, Josephine Morgan.

He went to Hoffa and asked him for the loan and Hoffa stated he would have to have security. He asked Bitonti what security he would give, and he said, "I have the deed to my house at 7865 Oakmont Boulevard."

Mr. KENNEDY. Why hadn't Mr. Bitonti gone to the bank or some other source for the loan?

Mr. KELLY. The reasons were obvious to me, Mr. Counsel, but I asked Mr. Bitonti anyway, and he told me he could not get a loan from the bank because of his record and reputation.

The CHAIRMAN. I think it should be noted here, is Mr. Bitonti one of the witnesses we are unable to find?

Mr. KENNEDY. Yes. Maybe Mr. Kelly can explain that. Otherwise we would have him in person.

The CHAIRMAN. I thought in view of some of the statements Mr. Kelly is making, it should be made clear in the record why we are having him to produce what he said to the investigators rather than have him present.

Mr. KELLY. I attempted to serve Mr. Bitonti with a subpoena. I was informed by his wife and also by one of his children that he had left—the child told me Toronto, Canada, which is probably the more candid observation—his wife said he had left for parts unknown. She

had not heard from him since a week ago tomorrow, a week ago Sunday.

Mr. KENNEDY. Did you make arrangements to see him?

Mr. KELLY. I had made arrangements to see him, Mr. Kennedy, and I think this is what probably precipitated his flight. He probably thought I would come with a subpoena.

Mr. KENNEDY. You were going to obtain some documents from him?

Mr. KELLY. I had obtained some documents from him up to that time.

The CHAIRMAN. As I understand, after your last interview with him, you had arranged to see him again.

Mr. KELLY. Yes, sir. I asked him to come into the office the last time I spoke to him on the phone, and he indicated that he would come into the office with a letter that he had received from Mr. Brennan. However, I would like to give this in sequence, Senator, if I may.

The CHAIRMAN. All right, proceed.

Mr. KELLY. When we went out to Bitonti's house, he told us that he had repaid this particular loan of \$40,000 by check. He showed me the stubs of the checks that he had given to local 337 and local 229.

Mr. KENNEDY. 229?

Mr. KELLY. 299. However, he said the checks were at his office. I use that term very guardedly because I had opportunity later to visit this office and found out it was merely a telephone in somebody else's office. The person I spoke to out there thought that Bitonti's idea of business was very sketchy.

Mr. KENNEDY. What was Mr. Bitonti's background that he was unable to get the loan from a bank?

Mr. KELLY. Not wishing to take his word alone for it, Mr. Kennedy, I checked with the authorities in Detroit and found out he had been arrested or picked up 22 times since 1929, which causes most bank presidents to frown when you come in for a loan. He had been involved in policy. As a matter of fact, he was known as the policy man in Dearborn. I understand that it was a reputation he cherished some time since back in the 1930's.

The CHAIRMAN. What do you mean by a policy man?

Mr. KELLY. A policy man, Senator, is a type of gambler who is involved in taking numbers.

The CHAIRMAN. Policy racket, numbers.

Mr. KELLY. Policy racket; that is right, sir. As a matter of fact, Bitonti indicated to me in his conversation that this property in question here was obtained from profits from that particular enterprise.

Mr. KENNEDY. You mean the property which he was going to invest the \$40,000 loan?

Mr. KELLY. That he put up as security for the 40 or 50 or whatever it was. He said that he was a bit vague about the terms of the mortgage, but that Hoffa had told him that he would have to put up all of his property. He told me with a rather harrassed air that his property was worth \$350,000, and since he only wanted \$40,000 from Hoffa, he thought this was quite unfair. But he said Hoffa told him, "I am going to charge you 5 percent interest, take it or leave it," since he had not other choice, he took it.

He showed us the following day 12 checks which were signed by Josephone Morgan who was the authorized person to sign checks for

this Biton Steel Corp. The first one is No. 184 and dated June 3, 1954. The last one is No. 230 and is dated November 19, 1954. I have them mixed up here. Anyway, over a period of about 2 years and 7 months I understand he was repaying this loan.

He also told me that they had charged him excessive interest. He told me that the interest was supposed to be 5 percent, but that he had paid off part of the loan and thought that the interest that they charged him was excessive. At this time he did show us a receipt on the letterhead of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers, dated August 7, 1957. It reads:

Received from John Bitonti, \$2,746.55 interest in full on loan.

It is signed by Frank Collins, secretary-treasurer.

I asked Bitonti at this point what he thought 5 percent of \$40,000 was, and he told me he didn't know. I said "Why do you think the loan was excessive?" So he tapped his forehead and he said, "I feel it up here." So I said to him, "Well, if you thought the interest on the loan was excessive, why did you pay it?" He said, "I wanted to get my property back." I said, "Did you get your property back?" He said, "No, they still have the deeds." I said did you ever see the deeds. He said, "Yes, when I signed them." Mr. Ranstead and I went to the City-County Building in Detroit, the Wayne County Buildings on the 18th of September, and we obtained photostatic copies of these particular documents which indicated to us that John Bitonti and Josephine Bitonti, his wife, on May 6, 1953, had obtained \$25,000 from local 337 and \$25,000 from local 299, with specific instructions on this mortgage sheet indicating how the principal and interest were to be repaid. Since this was in conflict with what Bitonti had told us on the prior day we went back to him and took these two copies with us.

Mr. KENNEDY. The conflict was that the mortgages showed he had received a loan of \$50,000, and he had stated that he received only \$40,000?

Mr. KELLY. That is right. On the 17th, I asked Mr. Bitonti whether he had signed a note and he was a little vague about it. He wasn't too sure that he had signed a note, but he thought he had. He said he did remember signing the mortgages with his wife. When I indicated to him that this amount totaled \$50,000, he turned purple, and told me that if these rogues and rascals were going to cheat him—incidentally, he had a large picture of Mr. Hoffa on the wall of his den or study, whom he referred to when we first came in as Jimmy Hoffa, but his attitude toward the picture changed with our information, to the extent that when I indicated these facts to Mr. Bitonti he ran over and tore the picture off the wall and he ran around the house with it saying, "What will I do with it, what will I do with it?" Answering his own question, he said, "I know what I will do with it. I will put it down the cellar." So he ran down the cellar steps and a few minutes later came back dusting his hands off with the attitude of a man who had accomplished something. I asked him the following day if the picture was back on the wall. He said, "Ask me another question. I won't tell you."

It was significant to us, Mr. Kennedy, that he had probably borrowed \$50,000 and was paying back \$40,000 on the surface of it, and another \$10,000 through other means.

Mr. KENNEDY. We do not know anything more than the fact that he said he received \$40,000; the two mortgages say he received \$50,000.

Mr. KELLY. And the checks total \$40,000.

Mr. KENNEDY. And the checks total \$40,000. Before we could get any further explanation or enlightenment he left for Canada.

Mr. KELLY. That is right.

Mr. KENNEDY. We still do not have any explanation as for the difference in the two figures?

Mr. KELLY. It is still up in the air.

Mr. KENNEDY. Mr. Chairman, could we make the mortgages a part of the record?

The CHAIRMAN. The checks will be made exhibit No. 34. The mortgages will be made exhibit No. 35 and 35-A. There are two mortgages, I believe.

Mr. KELLY. There are two of them, yes, Senator.

(The documents referred to were marked "Exhibits No. 34, 35 and 35-A" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. We have his police record here which we can place in the record, if you want.

The CHAIRMAN. The police record may be made an exhibit for reference. Have you checked that police record?

Mr. KELLY. I have, sir.

The CHAIRMAN. It may be made exhibit No. 36 for reference only.

(The document referred to was marked "Exhibit No. 36" for reference and may be found in the files of the select committee.)

Senator CURTIS. Did you see the property that was mortgaged?

Mr. KELLY. Well, in visiting his house, Senator Curtis, I saw the house which he told me had a market value of \$53,000. I did not visit any of the other property.

Senator CURTIS. There was other property described in the mortgage, too?

Mr. KELLY. Yes, sir, there was, in Wayne County and also in Hamtramck, which is, I understand, a small city inside Detroit.

The CHAIRMAN. Are we to understand that that loan now presumably is paid off?

Mr. KELLY. On the 20th, Senator McClellan, I spoke to Mr. Bitonti on the phone and he told me he was going over, as he put it, to have it out with them. On the 20th at about 10:29 a. m., he called me at our committee office in Detroit, and he told me that he had been over and had a row with Bert Brennan, in which Bert Brennan had indicated that he had not paid off the loan, but he said Bert Brennan in his presence got on the phone with Frank Collins at another location and Collins said that he had.

So this, of course, is Bitonti's statement to me over the telephone. He said, "I finally cornered him and got a letter from Bert Brennan saying that I had paid the loan." I said, "All right, now you try and take that over to the County Building and get your property back. That is not legal. They have to give you a satisfaction of judgment." I said, "Why don't you bring it in to me and let me see it?"

So a long period of time, about an hour passed—

Mr. KENNEDY. Didn't you ask him to read it to you?

Mr. KELLY. He told me he couldn't read too well, Mr. Kennedy, and that he was going to bring it in. I got a call from him about an hour later and he said that he was at home. I said, "It is inconceivable that you could get lost in the short distance between the Teamsters Building and our building. What are you doing home?"

He said, "I couldn't read too well. I didn't have much schooling and so I brought it back to my wife to read to you."

I had Angela Novello, of the committee staff, take it down in shorthand over the telephone. The letter was dated September 20, 1957 and was addressed to Mr. John Bitonti, 7865 Oakman Boulevard, Dearborn, Mich.

DEAR SIR: This letter will serve to notify you that your note of \$40,000 and interest has been paid in full. As quickly as possible, your deed will be returned to you and the account registration of deeds will be notified to lift the mortgage registration of these deeds.

Yours sincerely,

BERT BRENNAN.

I spoke to his wife as recently as yesterday on the phone, and she told me that the deeds had not been returned to them and she is quite worried, because she says, "I have three children here. I don't know where my husband is, and as far as I am concerned, that property is in my name, too, and if anything happens to him, I would have no way of proving it."

I understand that the note could not be located at the union.

The CHAIRMAN. Well, apparently, and I do not know what we will find out further about it, what is indicated to me about it now is that they added \$10,000 to the loan to make certain that they could enter it on the books as \$50,000.

So far as taking money out of the union treasury they actually only took out for the purpose indicated \$40,000.

Mr. KELLY. Well, Senator, it certainly is open for possibilities.

The CHAIRMAN. Well, we do not know the final answer to it.

Mr. KENNEDY. Mr. Chairman, in that connection, the books show only \$40,000. We just do not have any explanation for it at all.

The CHAIRMAN. What was the purpose of the loan? I did not quite understand.

Mr. KELLY. The ostensible purpose of the loan, Senator McClellan, was to go into the steel business, which he did. He did subsequently start a steel business. But it is also interesting to note and not being an accountant I can only note these facts, that his records show that when he deposited these sums of money, within a month of each deposit he would withdraw in the first case \$12,500 in cash, in a cash check, the exact nature or disposition of which I don't know, and on the second occasion he withdrew \$15,000 in a cash check.

Money has gone into this particular account and has come out of it. It is in the name of the Bitonti Steel Corp. and the account and bank account is located at the Peoples State Bank in Hamtramck.

The CHAIRMAN. Is there anything further?

Mr. KENNEDY. No.

The CHAIRMAN. Call the next witness.

Mr. KENNEDY. Mr. Chairman, when Mr. Hoffa testified here last month, he testified to the union lending some large amounts of money to a Mr. Harold Mark. He was unsure at that time how much exactly had been loaned and we did not have the full record.

The only record we had at that time were the records of local 337. They showed that Harold Mark had received some \$87,500. We were going to go back into local 299 and find out if they also had loaned any money to Harold Mark.

Mr. Hoffa described Harold Mark as an accountant for the teamsters and also as a businessman.

We will have several short witnesses, including Mr. Mark, on this transaction and on other transactions of Mr. Mark.

The CHAIRMAN. Call one of them.

Mr. KENNEDY. Mr. Ginser.

(Present at this point were Senators McClellan and Curtis.)

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth and nothing but the truth, so help you God?

Mr. GINSER. I do, sir.

TESTIMONY OF LEONARD GINSER

The CHAIRMAN. Mr. Ginser, state your name, your place of residence and your business.

Mr. GINSER. My name is Leonard Ginser. I reside at 10 Hampton Roads, Great Neck, N. Y. I am in the trucking business, the president of the Ginser Trucking Co.

The CHAIRMAN. Do you waive counsel, Mr. Ginser?

Mr. GINSER. I do.

The CHAIRMAN. Thank you, proceed.

Mr. KENNEDY. Mr. Ginser, you are here under orders of a subpoena; is that right?

Mr. GINSER. That is right, Mr. Kennedy.

Mr. KENNEDY. And you have been in the trucking business for how long?

Mr. GINSER. Well, I grew up into it, I would say, the last 25 years, sir.

Mr. KENNEDY. You have a contract with a teamster local in New York?

Mr. GINSER. Yes; we do.

Mr. KENNEDY. What local is that?

Mr. GINSER. Local 816.

Mr. KENNEDY. Local 816. Now, Mr. Ginser, have you ever met Mr. Harold Mark?

Mr. GINSER. Yes; I did.

Mr. KENNEDY. Could you tell us what occurred at the time that you met him and under what circumstances you met him?

Mr. GINSER. Well, I met him at a social gathering of some mutual friends in Great Neck and during the interim of the gathering, Mr. Mark had told me that he was in the insurance business, and did quite a bit of business with various unions.

The CHAIRMAN. That he was in the insurance business?

Mr. GINSER. That is correct, sir.

Mr. KENNEDY. He told you at that time of being in the insurance business, and that he was a broker for many different unions; is that right?

Mr. GINSER. I believe so.

Mr. KENNEDY. And did he also carry on the conversation further with you regarding other matters?

Mr. GINSER. Well, the conversation led to the settlement that was made of the teamster contracts in New York in 1954, I believe.

Mr. KENNEDY. That is the contract, Mr. Chairman, that we had some testimony by Mr. Hickey, I believe, that he had conducted the negotiations in connection with that contract, and then Mr. Hoffa came in from Detroit and was able to take over those negotiations, and that the contract was ultimately made by Mr. Hoffa himself, even though it was the New York area.

That was 1 of the 2 or 3 instances that Mr. Hickey described as an effort by Mr. Hoffa to come into New York and take over that area.

What did he say about that contract that had been negotiated by Mr. Hoffa?

Mr. GINSER. Well, I forget whether it was at that particular party that night. I do know I met Mr. Mark at a later date, whereby the statement was made that our industry was quite injured in New York as a result of the interference in New York.

Of course, it was easy to agree with him.

Mr. KENNEDY. When was this? Was that that night, do you think?

Mr. GINSER. No, it wasn't that night.

Mr. KENNEDY. Did he tell you on that night that he would contact you later on?

Mr. GINSER. I don't believe so. I don't recall.

Mr. KENNEDY. But he telephoned you later on?

Mr. GINSER. I did get a call sometime later that he desired to see me at my home.

Mr. KENNEDY. What reason did he say in the telephone conversation that he wanted to see you?

Mr. GINSER. He didn't give me the reason. He said, "I would like to see you on a matter of interest," and being in the neighborhood I said, "I will be glad to see you."

Mr. KENNEDY. So he came over and started to discuss——

Mr. GINSER. He came over and again reiterated the fact that various trucking companies in New York City had really been hit hard as a result of the past negotiations and he thought something could be done for the industry toward getting it relief which I knew to be quite an impossibility. It is pretty hard to ultimately conclude a contract and have the unions reopen it up a short time later with the thought in mind of giving relief.

In trying to find out more from him, the thought was he said that he would like to arrange an appointment with an individual and we wanted to keep that appointment, that is, members of our industry.

He thought something could be done for the industry toward getting us relief from the union contract.

Mr. KENNEDY. How did he say that could be done?

Mr. GINSER. Well, the inference was given to me——

Mr. KENNEDY. Well, he actually stated to you, did he not?

Mr. GINSER. Yes. If the various trucking companies that had negotiated with the teamsters unions would put all of their welfare into a company, something could be done toward renegotiating the contract downward, pricewise, for the companies.

Mr. KENNEDY. If the various large trucking concerns would be willing to give their business, their insurance business to one par-

ticular concern, that he thought it would be possible for arrangements to be made so that the contract with the teamsters would be not enforced, strictly, is that right?

Mr. GINSER. I wouldn't say "enforced strictly." It would be——

Mr. KENNEDY. Changed?

Mr. GINSER (continuing). Changed.

Mr. KENNEDY. That the contract would be changed?

Mr. GINSER. That was the understanding I had.

The CHAIRMAN. The change would be favorable to the trucking companies?

Mr. GINSER. Correct, sir.

The CHAIRMAN. In other words, a modification in their favor?

Mr. GINSER. That is correct. And at that time I told Mr. Mark that I could not speak for the industry, although I was a member of the negotiating committee that tried to negotiate the contracts, and I would be very glad to take it up with our association in New York, and let him know if we were willing to sit down and meet with somebody whom he designated.

A few days after I had met with him, I met up with some of the members of our association to discuss this, and we decided that we would explore Mr. Mark's offer a little further. At that time, one of the other members of the industry decided that he would accompany me for the association to listen to whatever proposal the gentleman I was supposed to meet with Mr. Mark was going to give us.

Accordingly, I forget whether he called me to arrange the appointment, but an appointment was made for a few days later to meet at a certain restaurant in New York City. I went to that restaurant with a Mr. Hugh Sheridan of our industry in New York, and, after waiting around 45 minutes to an hour, I finally met Mr. Mark, who then introduced me to a Mr. Weiss.

Mr. KENNEDY. What was Mr. Weiss' first name?

Mr. GINSER. I think it was Phil.

Mr. KENNEDY. Phil Weiss?

Mr. GINSER. I believe that was the name. After the introductions, Mr. Mark left, and left us alone with Mr. Weiss at the restaurant at that time. After we met at the restaurant, Mr. Weiss suggested that we ought to find a place where we could talk in a bit more peaceful atmosphere. I suggested taking them over to the Traffic Club in New York, which is at the Hotel Biltmore.

We proceeded over to the hotel and started talking. Well, I would say Mr. Weiss did most of the talking, telling us about all of his connections with the various people in the International Teamsters Union and what business he was in himself, but it seemed he never could get down to the subject that we were to meet for.

After a period of perhaps 45 minutes to an hour or so, I said, "We are here for a specific purpose. What is this about?" "Well," he said, "I would just like to know you fellows a little more." The appointment more or less ended up getting us nowhere.

At a later date, I was questioned as to why I brought Mr. Sheridan along with me on this particular meeting, because I suddenly picked the wrong sort of an individual to give a proposition to, because he represented the impartial arbitrator for our industry in New York City.

Mr. KENNEDY. Mr. Mark said this to you?

Mr. GINSER. Yes.

Mr. KENNEDY. He said you brought the wrong kind of person.

Mr. GINSER. Why did I bring Sheridan along? He was the wrong one to have there.

Mr. KENNEDY. That was the explanation as to why this proposition went no further?

Mr. GINSER. That is my understanding of it, Mr. Kennedy.

Mr. KENNEDY. Mr. Sheridan has a fine reputation in New York.

Mr. GINSER. Yes. He is recognized as an arbitrator of labor disputes, even though he is in the trucking business. His reputation is pretty well known.

Mr. KENNEDY. Did Mr. Mark tell you, during these interviews, that he knew Mr. Hoffa and his connections with Mr. Hoffa?

Mr. GINSER. I had heard that, yes; and Mr. Weiss said the same thing, too. He was very friendly with Jimmy Hoffa.

The CHAIRMAN. Are there any further questions? If not, thank you very much. We appreciate your cooperation. We will proceed further and see if we can tie it together.

Mr. KENNEDY. Mr. Mundie.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. MUNDIE. I do.

TESTIMONY OF JAMES F. MUNDIE

The CHAIRMAN. Be seated. State your name, place of residence, and your business or occupation.

Mr. MUNDIE. My name is James F. Mundie. I live at Silver Hill, Md. I am a member of the staff.

The CHAIRMAN. You have made an examination, Mr. Mundie—you are an accountant—of the loans from various teamster organizations to Mr. Harold Mark, have you not?

Mr. MUNDIE. I have, sir.

The CHAIRMAN. Will you tell us the amounts and the dates of those loans from the teamster organizations in Detroit to Mr. Harold Mark?

Mr. MUNDIE. The records of 299 disclose that Mr. Harold Mark was loaned the sum of \$87,500.

The CHAIRMAN. Which local was that?

Mr. MUNDIE. That was 299.

The CHAIRMAN. Local 299; that is, Mr. Hoffa's local, loaned Mark how much?

Mr. MUNDIE. \$87,500.

Mr. KENNEDY. And that was between the dates of May 8—

Mr. MUNDIE. On May 8, \$25,000; on May 23, \$20,000; on June 11, \$50,000; on October 1, \$12,500.

The CHAIRMAN. What year?

Mr. MUNDIE. 1956.

Mr. KENNEDY. So, in addition to that \$87,500, was there another loan?

Mr. MUNDIE. There was, from 337.

Mr. KENNEDY. That local is Mr. Hoffa's local, is it not, 299?

Mr. MUNDIE. That is Mr. Brennan's local.

Mr. KENNEDY. 299 is Mr. Hoffa's, and 337 is Mr. Brennan's?

Mr. MUNDIE. That is right. On June 11, 1956, \$50,000; on October 1, 1956, \$12,500; making a total of \$62,500, and combining the 2 totals is \$150,000.

Mr. KENNEDY. So, from these 2 locals, Mr. Mark received \$150,000. Was there a substitution loan made subsequently?

Mr. MUNDIE. Yes, sir. During March of 1957, a loan in the amount of \$145,000 was borrowed from the Michigan Conference of Teamsters.

The CHAIRMAN. \$145,000?

Mr. MUNDIE. \$145,000.

Mr. KENNEDY. That was given to Mr. Harold Mark, and he then repaid the loans?

Mr. MUNDIE. He made 1 payment to 299 in the amount of \$78,500, and 337, \$61,500, which paid off the 2 loans.

The CHAIRMAN. 337 was \$62,500?

Mr. MUNDIE. Between the time that the loan was negotiated, there had been several payments on each of these loans, bringing the balance down that was due to that \$71,500. I mean the \$78,500 and \$61,500.

The CHAIRMAN. Was there any interest paid?

Mr. MUNDIE. Yes, sir. There was an interest payment to local 337 on March 28, in the amount of \$1,913.33, and an interest payment to 299 in the amount of \$2,616.66.

Mr. KENNEDY. The present balance due on the loans of Mr. Mark is \$142,000?

Mr. MUNDIE. Yes, sir. In August 1957, he made 1 payment to the Michigan Conference of Teamsters for \$3,000.

Mr. KENNEDY. So that brings it down to what?

Mr. MUNDIE. Down to \$142,000.

Mr. KENNEDY. So, it is \$142,000 now due to the Michigan Conference of Teamsters by Harold Mark.

Mr. MUNDIE. That is correct.

Mr. KENNEDY. I want to ask you about one transaction. Mr. Hoffa testified, Mr. Chairman, that the teamsters loaned Mr. Harold Mark some money and then Mr. Mark loaned Mr. James Hoffa some money. Have you traced those two transactions?

Mr. MUNDIE. Yes, I have.

Mr. KENNEDY. Could you tell us what occurred in connection with those transactions?

Mr. MUNDIE. It appears from a note that I have, a photostatic copy of a note, that Mr. Harold L. Mark and David H. Wenger loaned Mr. Hoffa \$25,000 on May 15, 1956.

Mr. KENNEDY. They loaned him how much?

Mr. MUNDIE. \$25,000.

Mr. KENNEDY. Let me ask you if this was not true, that there is a check dated May 8, 1956, for \$25,000 to Harold Mark.

Mr. MUNDIE. That is correct.

Mr. KENNEDY. That is on Truckdrivers Local No. 299.

Mr. MUNDIE. That is correct.

Mr. KENNEDY. That was \$25,000 dated May 8?

Mr. MUNDIE. That is correct.

Mr. KENNEDY. On May 11 your records show that Mr. Harold Mark came to the broker—what is the name of the broker?

Mr. MUNDIE. Auerbach, Pollak & Richardson. You have a photostat copy of that.

Mr. KENNEDY. Here is the check.

Mr. MUNDIE. He gave his personal check to Auerbach, Pollak & Richardson in the amount of \$12,000.

Mr. KENNEDY. Wait a minute. We are not there.

The CHAIRMAN. This is a check I have from Truck Drivers Local 299, Harold Mark, in the amount of \$25,000 dated May 8, 1956. Is this the check you refer to of May 8 to Mr. Mark?

Mr. MUNDIE. Yes; that is a photostat of the check taken from local 299.

The CHAIRMAN. It may be made exhibit No. 37.

(The check referred to was marked "Exhibit No. 37" for reference and will be found in the appendix on p. 5760.)

Mr. MUNDIE. The number is 1592.

Mr. KENNEDY. That arrived in New York on May 11.

Mr. MUNDIE. That is correct.

Mr. KENNEDY. Mr. Mark took that down to the brokerage account.

Mr. MUNDIE. I examined the files at Auerbach, Pollak & Richardson. I found a note in their correspondence file headed "James R. Hoffa." I questioned Mr. Vernon, an employee at Auerbach, Pollak & Richardson, and he stated that the cashier at that institution refused that check in the amount of \$25,000 because it was from union funds.

Mr. KENNEDY. You found this note in Mr. Hoffa's own brokerage account?

Mr. MUNDIE. In the correspondence files of the brokerage company in relation to Mr. Hoffa's brokerage account.

The CHAIRMAN. I hand you here a photostatic copy of the note to which you referred and ask you to examine it and state if that is the note that you found in the broker's account to which you have just alluded.

Mr. MUNDIE. Yes, sir. This is a memorandum I found and it is a photostatic copy furnished by Auerbach, Pollak & Richardson to me.

The CHAIRMAN. It will be made exhibit No. 38.

(The document referred to was marked as "Exhibit No. 38" for reference and will be found in the appendix on p. 5761.)

Mr. KENNEDY. The brokerage house at that time refused to accept this check for \$25,000 because it was a union check; is that right?

Mr. MUNDIE. That is right.

Mr. KENNEDY. The intention of Mr. Mark at that time, according to the people you interviewed, was to use this check to purchase \$25,000 in bonds for Mr. Hoffa.

Mr. MUNDIE. One hundred bonds—Fruehauf bonds.

Mr. KENNEDY. This was a partial payment?

Mr. MUNDIE. That is correct.

Mr. KENNEDY. That would have been for \$25,000 worth of bonds; is that right?

Mr. MUNDIE. That is right.

Mr. KENNEDY. For Mr. James Hoffa.

Mr. MUNDIE. James R. Hoffa.

Mr. KENNEDY. Mr. Mark then took that check and deposited it in his own bank account?

Mr. MUNDIE. That is correct.

Mr. KENNEDY. He then issued a check for \$12,500?

Mr. MUNDIE. That is correct.

Mr. KENNEDY. To the brokerage account?

Mr. MUNDIE. To the brokerage company, yes, sir, to be placed on Mr. Hoffa's account.

Mr. KENNEDY. To be placed on Mr. Hoffa's account?

Mr. MUNDIE. Yes.

Mr. KENNEDY. And he transferred \$12,500 worth of Fruehauf bonds—an additional \$25,000 worth of Fruehauf bonds—

Mr. MUNDIE. No.

Mr. KENNEDY. A credit.

Mr. MUNDIE. They transferred \$12,500 from their personal account in the name of Mark & Wenger to Mr. Hoffa's account on May 14.

Mr. KENNEDY. So then Mr. Hoffa had \$25,000.

Mr. MUNDIE. Yes.

Mr. KENNEDY. So on the books of 299 this \$25,000 payment is listed now as a loan to Mr. Mark.

Mr. MUNDIE. Yes.

Mr. KENNEDY. Originally it had been intended to be used to purchase bonds for Mr. Hoffa, is that right?

Mr. MUNDIE. According to the brokerage company, the check was given to them but they refused it.

The CHAIRMAN. In other words, the check was offered to the brokerage company in payment of Hoffa's account?

Mr. MUNDIE. That is correct.

The CHAIRMAN. It was made to Mark.

Mr. MUNDIE. That is correct.

The CHAIRMAN. Mark offered it to the brokerage company as a payment on Hoffa's bond account.

Mr. MUNDIE. That is correct.

The CHAIRMAN. The brokerage company refused it because it was drawn on union funds.

Mr. MUNDIE. It was on union funds.

The CHAIRMAN. Then Mark takes the check, deposits it in his own account in the bank.

Mr. MUNDIE. That is correct.

The CHAIRMAN. And then writes a check how?

Mr. MUNDIE. He draws a check in the amount of \$12,500 from his personal account at the Clinton Trust Co. payable to Auerbach, Pollak & Richardson, and on May 14 he requested Auerbach, Pollak & Richardson to transfer from their brokerage account the amount of \$12,500, total of \$25,000.

The CHAIRMAN. So he finally gets the money into the Hoffa account.

Mr. MUNDIE. That is right.

The CHAIRMAN. By depositing the check in his own name in his own account, then writing his own check to the brokerage company for \$12,500.

Mr. MUNDIE. That is correct.

The CHAIRMAN. And by ordering the brokerage company to give Hoffa's account credit of \$12,500 out of their account with the brokers.

Mr. MUNDIE. That is correct, making a total of \$25,000 placed in James R. Hoffa's account.

The CHAIRMAN. Now I hand you this photostatic copy of the check for \$12,500 drawn by Harold Mark on May 11, 1956, payable to this brokerage firm. I ask you to examine it and state if that is the check you are talking about.

Mr. KENNEDY. This is the transfer, Mr. Chairman, of the \$12,500. Here is the authorization for it.

Mr. MUNDIE. This is a photostatic copy of the original check by Mr. Harold Mark.

The CHAIRMAN. That may be made exhibit 39.

(The document referred to was marked as "Exhibit No. 39" for reference and will be found in the Appendix on p. 5762.)

The CHAIRMAN. I hand you here what appeared to be a photostatic copy of the ledger account of James R. Hoffa with the Auerbach, Pollak & Richardson brokerage firm. I ask you to examine that and state if you identify it, and if it shows the transfer to Mr. Hoffa's account of that check and also of the transfer of the funds that you referred to.

Mr. MUNDIE. This is a photostatic copy of Mr. James R. Hoffa's brokerage account, maintained at Auerbach, Pollak & Richardson. This photostatic copy was furnished to me by the brokerage house.

The CHAIRMAN. It may be made exhibit No. 40.

(The document referred to was marked as "Exhibit No. 40" for reference and may be found in the files of the select committee.)

The CHAIRMAN. I hand you a photostatic copy of a letter from David Wenger, the partner of Mark, to the brokerage firm, dated May 14, 1956, authorizing the transfer out of the account of Mark & Wenger to the account of Hoffa, out of their funds, a total of \$12,500, and ask you if you identify that photostatic copy of the letter.

Mr. MUNDIE. This is a photostat furnished me by Auerbach, Pollack & Richards, of the letter sent to them to transfer \$12,500 from their account to Mr. Hoffa's account.

The CHAIRMAN. That may be made exhibit No. 41.

(The document referred to was marked as "Exhibit No. 41" for reference and will be found in the Appendix on p. 5763.)

Mr. KENNEDY. This opened the account on May 8, the day the original check was drawn out of 299. This opens the account at the brokerage house for James R. Hoffa.

The CHAIRMAN. I hand you another photostatic copy of a document and ask you to examine it and state what it is.

Mr. MUNDIE. This is a photostat copy of an application for a new account, applied with Auerbach, Pollak & Richardson, in the name of James R. Hoffa.

The CHAIRMAN. That may be made exhibit No. 42.

(The document referred to was marked as "Exhibit No. 42" for reference and will be found in the appendix on p. 5764.)

The CHAIRMAN. As I understand it, the records of local 299 show that \$25,000 transaction as a loan to Mark.

Mr. MUNDIE. That is correct.

The CHAIRMAN. But Hoffa was actually getting the money or the proceeds from the money.

Mr. MUNDIE. It appears that way.

The CHAIRMAN. That is what these records show.

Mr. MUNDIE. Yes, sir.

Senator CURTIS. Was the loan ever repaid to the union?

Mr. MUNDIE. The loan was repaid but another loan was financed. The original loan was \$150,00, and now it stands at \$142,000.

Senator CURTIS. Does this have any relation to any borrowings by Hoffa from Mark testified to by Hoffa?

Mr. MUNDIE. This is part of that loan. I think Mr. Hoffa testified on some checks which were exhibited to Mr. Hoffa in the amount of \$62,500. I was not here that day. But I have those two checks.

Mr. KENNEDY. Mr. Mark also received the authorization to do all the purchasing of bonds for Mr. Hoffa; is that right?

Mr. MUNDIE. That is correct. They furnished me a photostat copy of that authorization.

Mr. KENNEDY. Mr. Hoffa, when he testified—the last appearance—testified as to the loans he had received during the period of the last 3 or 4 years. Are you familiar with that?

Mr. MUNDIE. Yes, sir.

Mr. KENNEDY. In addition to those loans that he stated that he received, have we found another loan that he did not mention when he testified?

Mr. MUNDIE. Yes, sir; we found a loan.

Mr. KENNEDY. How much?

Mr. MUNDIE. One hundred thousand dollars.

Mr. KENNEDY. Of \$100,000?

Mr. MUNDIE. Yes, sir.

Mr. KENNEDY. Which he had not mentioned when he testified before.

Mr. MUNDIE. I was not here when he was testifying.

Mr. KENNEDY. Mr. Chairman, he stated in his testimony when he last appeared that he was giving a full account of all the loans he received from the end of 1952 or the beginning of 1953 up until the present time, and he failed to mention this loan of \$100,000.

Could you tell the committee about that loan, just briefly?

Mr. MUNDIE. When Auerbach, Pollak & Richardson had bought 100 Fruehauf bonds—

Mr. KENNEDY. At how much?

Mr. MUNDIE. At \$126,800—it was my understanding that D. H. Blair arranged the loan with the Lakeview Trust & Savings Co., of Chicago, Ill., for \$100,000 in the name of Mr. James R. Hoffa.

Mr. KENNEDY. Mr. Hoffa got a loan through the Blair Co., and the Blair Co. is a partial owner of or has an interest, has it not, in the Union Life & Casualty Co.?

Mr. MUNDIE. That is my understanding.

Mr. KENNEDY. Of Mr. Dorfman?

Mr. MUNDIE. That is my understanding.

Mr. KENNEDY. So they arranged for a loan for \$100,000—

Mr. MUNDIE. From the Lakeview Savings & Trust Co., of Chicago, Ill.

Mr. KENNEDY. That \$100,000 was used together with the original \$25,000 which we have just discussed; is that right?

Mr. MUNDIE. Yes.

Mr. KENNEDY. Mr. Hoffa purchased 100 Fruehauf bonds.

Mr. MUNDIE. At a total of \$126,800.

Mr. KENNEDY. He got those 100 bonds for a total of \$126,800 without putting up any money of his own.

Mr. MUNDIE. That is correct.

Mr. KENNEDY. Was that account, that loan, subsequently transferred to another bank?

Mr. MUNDIE. Yes; on August 22——

Mr. KENNEDY. What year?

Mr. MUNDIE. 1956. The loan was transferred at the request of D. H. Blair & Co. from the Lakeview Trust to the Cleveland Trust, Cleveland, Ohio, in the amount of \$94,000. There had been a \$6,000 payment on the loan at the Lakeview Trust.

Mr. KENNEDY. The \$100 bonds when Mr. Hoffa purchased them were worth approximately \$126,800; is that right?

Mr. MUNDIE. That is correct.

Mr. KENNEDY. Did Mr. Hoffa subsequently make an arrangement with the locals, local 299, his own local, in connection with these bonds?

Mr. MUNDIE. That is correct.

Mr. KENNEDY. Did the bonds go down in price?

Mr. MUNDIE. On December 11, 1956, local 299 disbursed a check to the Cleveland Trust Co. in the amount of \$76,266 to pay the interest and principal on the loan at the Cleveland Trust Co., that they held in the name of James R. Hoffa.

Mr. KENNEDY. I might say, Mr. Chairman, that a \$76,000 check, came out of the Florida bank——

Mr. MUNDIE. No, it didn't.

Mr. KENNEDY. It did not?

Mr. MUNDIE. No. It came out of the Detroit bank.

Mr. KENNEDY. The \$100,000 prior to that time had been transferred from that Florida bank back to the Detroit bank and the \$76,000 that was used to pay for these bonds came out of that \$100,000 transaction. Is it all clear?

Well, anyway, the union wrote a check for \$76,000, paying off what was owned by Mr. Hoffa to this bank; is that right?

Mr. MUNDIE. To the Cleveland Trust Co.; that is correct.

Mr. KENNEDY. How has the difference between the \$76,000 and the \$94,000 been paid off?

Mr. MUNDIE. There have been several payments.

Mr. KENNEDY. Several payments have been made; is that right?

Mr. MUNDIE. Yes.

Senator CURTIS. By whom?

Mr. MUNDIE. Well, all we have is the record from the bank and there was no way to tell who made the payments on it.

Senator CURTIS. Did you find any record to indicate that the union had paid on it?

Mr. MUNDIE. No, sir.

Senator CURTIS. That is all.

Mr. KENNEDY. It gets a little difficult now, because the bonds then either were sold to the union or were used as collateral for a loan of \$76,000 from the union; isn't that right?

Mr. MUNDIE. That is correct.

Mr. KENNEDY. It is impossible from the records of the union to tell whether the union has possession of the bonds or whether they loaned Mr. Hoffa \$76,000 with the bonds put up as collateral.

Mr. MUNDIE. That is correct.

Mr. KENNEDY. The bonds at the time of this transaction, the \$76,000 transaction, were worth between \$82,000 and \$84,000?

Mr. MUNDIE. That is correct.

Mr. KENNEDY. Those bonds now are worth about \$69,000?

Mr. MUNDIE. The last quotation I have on those bonds is \$69,000.

Mr. KENNEDY. So if the union owns the bonds, they have lost about \$7,000 on them?

Mr. MUNDIE. That is correct.

Mr. KENNEDY. If they made a loan on the bonds and the bonds are collateral, they have collateral worth \$69,000 and have an outstanding loan of \$76,000; is that right?

Mr. MUNDIE. That is correct.

Mr. KENNEDY. And it is another loan that Mr. Hoffa did not mention to us.

Does that wind it up?

Senator CURTIS. Do you know where the bonds are now?

Mr. MUNDIE. No, sir, I do not.

Senator CURTIS. There is nothing in the record to indicate who owns them?

Mr. MUNDIE. No, sir.

Mr. KENNEDY. I would like to say that the two points that are of some significance to us are: No. 1, when Mr. Hoffa was asked about the loans that he had originally, he failed to mention this \$100,000 loan from the bank.

No. 2, that he transferred in some manner these bonds to the union; that there is nothing in the minutes to show that the union gave any approval of this; that the union, if they bought the bonds, they purchased \$76,000 worth of them, and they have already lost \$7,000 on them; and if they were using them as collateral for the loan, it is not adequate collateral.

Is that right?

Mr. MUNDIE. That is correct.

Mr. KENNEDY. And the bonds that Mr. Hoffa originally paid \$126,800 for are now worth \$69,000; is that right?

Mr. MUNDIE. That is correct.

Mr. KENNEDY. He lost \$57,800 on that transaction?

Mr. MUNDIE. He lost fifty and the union lost seven.

Mr. KENNEDY. He never put up a cent of his own money, anyway?

Mr. MUNDIE. As far as we can trace, we have not been able to run into payments directly.

Mr. KENNEDY. From him?

Mr. MUNDIE. From him.

Mr. KENNEDY. All right.

Mr. Mark?

(Present at this point were Senators McClellan and Curtis.)

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. MARK. I do.

TESTIMONY OF HAROLD MARK, ACCOMPANIED BY HIS COUNSEL, GEORGE S. FITZGERALD

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. MARK. My name is Harold Mark. I am a certified public accountant. I live at 5 Shadow Lane, Great Neck, N. Y.

The CHAIRMAN. Do you have counsel representing you?

Mr. MARK. I didn't have an opportunity to obtain counsel because of the holidays of Thursday and Friday. I have asked Mr. Fitzgerald, with your permission and his permission, to sit with me.

The CHAIRMAN. You have my permission.

Mr. FITZGERALD. Mr. Chairman, so that you will understand the situation, it was not my intention to appear; but when Mr. Mark spoke to me, I said that if anything arose, with the permission of the Chair, I would represent him.

But since that time I got into a discussion of the facts with him, and in order to save time, I figure I might as well appear. But I might say it is strictly a courtesy appearance. I am representing him, but because of the interest involved I didn't want to—

The CHAIRMAN. All right: you appear as a courtesy to accommodate him. The Chair accepts that. We will proceed.

Mr. KENNEDY. I would like to say, Mr. Chairman, that Mr. Mark has been ill. He has had two heart attacks in recent history. I would like to get through, for his sake, as quickly as possible.

If there is anything that you want to say about the first transaction regarding the loan or the financial transactions that you had with the two teamsters locals, 299 and 377, if there is anything you have to add on that matter, other than what has been put in the record already, you may.

Mr. MARK. Only that the fact that Mr. Hoffa has repaid us a little over \$8,000. I don't have the exact amount with me.

Mr. KENNEDY. He has paid you out of the \$25,000—

Mr. MARK. Against the \$25,000 that he owes us, he has given us \$8,000.

Mr. KENNEDY. But the recitation of facts by Mr. Mundie, the committee investigator, were accurate?

Mr. MARK. Substantially.

Mr. KENNEDY. There is nothing that you want to add on that?

Mr. MARK. Well, it wouldn't make any difference specifically on Mr. Hoffa, but I would like to straighten the committee out, if possible, on the procedure of making a loan on collateral, under the New York Stock Exchange.

Mr. KENNEDY. If it does not bear specifically on what we are interested in, I don't think it is necessary. Then we had some testimony by Mr. Ginser regarding his conversation with you at a party and a subsequent conversation with you. Do you want to tell us about that, or please tell us about that.

Mr. MARK. I would like to make 1 or 2 corrections in his testimony.

Mr. KENNEDY. First, did you meet Mr. Ginser at a party?

Mr. MARK. I didn't meet him at a party.

Mr. KENNEDY. You met him where?

Mr. MARK. At my next-door-neighbor's backyard. Ginser uses him professionally as a podiatrist. I think I met Ginser 3 or 4 times in the last several years. I have not seen him in the last 2½ or 3 years until in this courtroom.

He asked me what I thought of the recent contract negotiations, and he told me at that time that the proposed increase in the new

contract, due to the fact that he operates approximately 250 trucks, would put most of the truckers out of business.

He came to me with varied financial statements or information to substantiate his entire contention.

I told him that to the best of my knowledge, in all my relations, if he can supply certified statements to a committee or any group of unions, then I felt certain that they would give him some consideration.

Mr. KENNEDY. Did you have any discussion at that time or subsequently about the placing of the insurance by the various truckers?

Mr. MARK. The discussion arose subsequently. At this first incident when I met him, he asked me to find out if anything could be done, if he could substantiate his contention by certified audit statements.

I came back to him in perhaps a week or 10 days later and I told him that if possible, something might be able to be done provided that his certified statements will be able to substantiate his contention, that this additional increase of 25 cents an hour would put him out of business.

He asked me, "What is in it for you?" And I said, "I am not interested in anything. I never negotiated contracts or anything like that. I am a consultant on several welfare funds. If at some time in the future a change should be made with your present consultant or if a new fund is set up, could I be given some consideration by the group?"

I specifically did not ask him to take any individual trucker or group of truckers and designate me as consultant.

Mr. KENNEDY. I don't think there is much difference in your testimony. You say it was subsequent and he said that you wanted him to do it at that time.

Did you bring him in and introduce him or did you arrange for him to meet Mr. Phil Weiss?

Mr. MARK. I believe I did.

Mr. KENNEDY. What was the reason for that?

Mr. MARK. I had spoken to a number of individuals on Mr. Ginser's problem and they told me that Mr. Weiss might be able to assist him.

Mr. KENNEDY. Mr. Weiss is in the trucking business?

Mr. MARK. No, sir.

Mr. KENNEDY. What is he? He can fix things, can he?

Mr. MARK. To the best of my knowledge, he is in the oil business.

Mr. KENNEDY. He is in the oil business?

Mr. MARK. And he knows a lot of individuals in the various unions in and about New York City.

Mr. KENNEDY. Is he the same Phil Weiss who has just been sentenced to 5 years for the black-market activities in New York?

Mr. MARK. I don't know if he has been sentenced, sir.

Mr. KENNEDY. He has just been convicted?

Mr. MARK. I believe he was convicted last year when I was in the hospital.

Mr. KENNEDY. What relationship did he have with the union, Mr. Hoffa or the union, that would allow him to have Mr. Ginser and his truckers, allow them to have changes in rates?

Mr. MARK. I don't know if he has any relation with the union. I was told that he may be in a position to assist Mr. Ginser with his problem.

Mr. KENNEDY. How was he going to do that?

Mr. MARK. I don't know, sir.

Mr. KENNEDY. Who told you that?

Mr. MARK. I honestly don't recall, sir.

Mr. KENNEDY. You remember who told you that.

Mr. MARK. No; I don't, sir. I mean hundreds of people——

Mr. KENNEDY. How were you going to do it, then?

Mr. MARK. I wasn't going to do it.

Mr. KENNEDY. You said if things worked out all right, that you said that you thought you could probably get this 25-cent reduction.

Mr. MARK. I didn't say that.

Mr. KENNEDY. Did you not say you could get some alleviation of the conditions of his contract?

Mr. MARK. I said that if his financial statements as he showed me could stand up, and if he could submit certified audited statements, that some alleviation to his problem may be given. But I did not say that I could do it.

Mr. KENNEDY. Who were you going to have do it?

Mr. MARK. I was going to inquire around to see if it could be done.

Mr. KENNEDY. You told him that you thought it could be done. He could inquire around. He could go to the union officials. Who were you going to go to?

Mr. MARK. I went to Phil Weiss.

Mr. KENNEDY. Why did you go to Phil Weiss?

Mr. MARK. Because I heard around that he was in a position to do these things.

Mr. KENNEDY. Who told you? I think that is a very peculiar situation that you hear around New York that Phil Weiss has the power to change the contracts that have been made by James Hoffa.

What kind of a situation is that?

Mr. MARK. I don't think Mr. Hoffa was involved in that.

Mr. KENNEDY. Mr. Hoffa was the one that negotiated this contract in 1954. Certainly, he would have to be brought into it if the terms of the contract were going to be changed. Here you are, you have this close working relationship with Mr. Hoffa, you handle some of their insurance, you receive this \$167,000 loan from Mr. Hoffa's local, and you are going and having this conversation with Mr. Giuser regarding the terms of his contract, and then you bring in Mr. Phil Weiss, who is a notorious labor racketeer, and fixer, probably the most notorious in the United States. I don't think I am being at all unfair.

Mr. MARK. In 1954 I did not have any dealings with Mr. Hoffa. We were not his accountants. I had not borrowed any money from him.

Mr. KENNEDY. All I am asking is, if what I say is not a correct representation of the facts, tell the committee what you were going to do, who you were going to see, and how you got to Phil Weiss.

That is all I am asking. You are the one that is leaving all of these questions unanswered.

Mr. MARK. I called Phil on the phone.

Mr. KENNEDY. Why?

Mr. MARK. I thought he could be of assistance.

Mr. KENNEDY. He is not a union official.

Mr. MARK. I was under the impression that he might be able to give him some assistance.

Mr. KENNEDY. Why? That is what I am asking you.

Mr. MARK. Because you just said that it was known throughout the country.

Mr. KENNEDY. So you went to a person who was a notorious fixer in order to make this arrangement for Mr. Ginser?

Mr. MARK. I did not know at that time that he was a notorious fixer.

Mr. KENNEDY. You said he was known around the country.

Mr. MARK. I am only repeating your words.

Mr. KENNEDY. That is why you went to him?

Mr. MARK. At that time I went to him because I thought he could be of assistance to Mr. Ginser.

Mr. KENNEDY. Why?

Mr. MARK. Mr. Ginser asked me to.

Mr. KENNEDY. He didn't ask you to go to Mr. Phillip Weiss.

Mr. MARK. He asked me to see if I could get anybody for him.

Mr. KENNEDY. All right. Then why did you select Mr. Phil Weiss? (The witness conferred with his counsel.)

Mr. KENNEDY. Well, I think that the relationship is clear.

The CHAIRMAN. Do you want to say you don't know why you went to Weiss?

Mr. MARK. Sir, it is approximately 3 years or more.

The CHAIRMAN. I know it.

Mr. MARK. I have met thousands of individuals since that time.

The CHAIRMAN. You had information that Weiss had some connection that he might use, did you not?

Mr. MARK. Yes.

The CHAIRMAN. Where did you get that information?

Mr. MARK. It was general knowledge in the city of New York.

The CHAIRMAN. He was regarded as one that could fix things?

Mr. MARK. I wouldn't say I regarded him in that fashion. I say that I regarded him by the fact that he knew individuals, and he may intercede for him.

The CHAIRMAN. You regarded him as someone that might influence Jimmy Hoffa?

Mr. MARK. No, sir.

The CHAIRMAN. Who did you expect him to influence?

Mr. MARK. Somebody he knew in New York City, one of the individuals that Mr. Ginser had contracts with.

The CHAIRMAN. Well, that was the teamsters union, was it not?

Mr. MARK. But not Mr. Hoffa.

The CHAIRMAN. He had negotiated the contract. Did you know that?

Mr. MARK. I don't recall, sir.

The CHAIRMAN. It was generally known that he went up there and settled the thing, and negotiated the contract after long negotiations had been underway, is that not true?

Mr. MARK. If you say so, sir, it must be.

The CHAIRMAN. Did you know it?

Mr. MARK. No, sir.

The CHAIRMAN. Have you been in a position, Mr. Mark, to transfer union funds from one bank to another?

Mr. MARK. Of my own volition or authority, sir?

Mr. KENNEDY. Or arrange to have union funds transferred from one bank to another?

Mr. MARK. I, personally; no.

Mr. KENNEDY. What?

Mr. MARK. No, sir.

Mr. KENNEDY. Have you ever used your influence to have moneys, union moneys, teamster moneys, transferred from one bank to another?

Mr. MARK. Not to my knowledge, sir.

Mr. KENNEDY. You would remember if you had done that.

Mr. MARK. I might have done it in an official capacity when the trustees of a union or trustees of a fund asked me if I could get more interest.

Mr. KENNEDY. Did you ever do it in order to get a personal loan for yourself?

Mr. MARK. Do you mean, make a transfer from banks—

Mr. KENNEDY. That you told them that you would get the teamster funds transferred to the bank if they would make a personal loan to you.

Mr. MARK. I don't believe I did.

Mr. KENNEDY. You would remember if you had or not, Mr. Mark? You are having an affliction of memory, also?

Mr. MARK. No, sir; I cannot tell you specifically that I walked into a bank and said, "I will have X amount of dollars transferred to your institution if you will lend me Y dollars."

Mr. KENNEDY. Well, did you have any conversation similar to that?

Mr. MARK. I might have gone to the bank after the transaction. I have no authority. The trustees of all of these funds take care of these things.

Mr. KENNEDY. Why would you even have a discussion with a bank about your having a loan and wanting this transfer of funds, union funds, to their bank?

Mr. MARK. I don't know, because any loan that I ever made has been fully collateralized.

Mr. KENNEDY. I know, but then why would you have that discussion?

Mr. MARK. I don't know. I don't know the point you are trying to make.

Mr. KENNEDY. The point I am trying to find out is whether you have ever said to a bank that you were the one responsible for getting teamster funds into their bank, and discussed with them at that time getting a personal loan for yourself.

Mr. MARK. All I can tell you sir, is that I have recommended to the trustees from one bank to another because the second bank paid a larger interest rate.

Mr. KENNEDY. Did you also have discussions with them at the same time about them making a personal loan to you?

Mr. MARK. No, sir; that was not the basis of the transfer.

Mr. KENNEDY. But you have had those discussions?

Mr. MARK. Subsequently.

Mr. KENNEDY. What bank was that?

Mr. MARK. I don't know, sir. I have owed quite a bit of money throughout the country at various banks.

Mr. KENNEDY. At what bank did you do this?

Mr. MARK. I think the Oneida National Bank, Utica, N. Y.

Mr. KENNEDY. Could I place Mr. Bellino on the stand, Mr. Chairman?

The CHAIRMAN. All right.

Mr. KENNEDY. You are the trustee for the New York State Council of Teamsters, are you not?

Mr. MARK. I am not a trustee, sir.

Mr. KENNEDY. You operate and administer their funds?

Mr. MARK. I am the consultant.

Mr. KENNEDY. And also the hotel and restaurant workers in Detroit?

Mr. MARK. Yes, sir.

TESTIMONY OF CARMINE S. BELLINO—Resumed

Mr. BELLINO. This is a memorandum in the files of the Oneida National Bank & Trust Co., of Utica, May 24, 1956, with the heading, "Harold Mark."

Mr. Mark called today and introduced himself as a representative of the AFL Teamsters, Local 182. He is a C. P. A. and handles the account of this union in 22 States.

At the present time we have at this bank AFL money totaling \$222,836.39. He is transferring from first bank an account which will be known as the New York State Teamsters Council Welfare Trust Fund. This account will average between \$75,000 and \$150,000.

His request is to have us consider a loan of between \$100,000 and \$175,000 to be secured by marketable bonds, the bonds to average at least 10 to 25 percent above the amount of the loan.

The rate of interest is to be at 4¾ percent. This request has been reviewed at our officers meeting today, and approved.

Mr. KENNEDY. Mr. Chairman, we would like to have a list of all of the accounts of Mr. Mark, and I have no more questions today.

The CHAIRMAN. Mr. Mark, can you supply a list of all your accounts?

Mr. MARK. I could supply it to the staff in a week or less.

The CHAIRMAN. You are ordered and directed to do that.

Mr. BELLINO. This is the City Bank of Detroit, memorandum in their files:

Mr. Mark is tied in with the teamsters welfare fund and he stated that \$15 million is being allocated to central banks. The proportionate share of the Detroit banks is \$2.5 million. The funds will be allocated within the next 90 days and Mr. Mark assured me that he would personally see that we received our pro rata share and as much more as he can direct our way.

This is dated June 13, 1956.

Mr. MARK. May I ask the name of the bank?

Mr. BELLINO. The City Bank, I believe.

Mr. MARK. I think they had been doing business with the teamsters long before I met anybody.

Mr. BELLINO. This was the pension fund.

Mr. MARK. I have nothing to do with the pension fund.

Mr. KENNEDY. That is according to their own notes, and it is \$15 million of welfare fund. Aren't you the auditor for the Central States Conference?

Mr. MARK. My firm is, but I haven't had anything to do with it, because I have been ill for the last number of years, and I can't do the traveling.

Mr. KENNEDY. The situation is where this huge amount of money is used by businessmen or union officials in collusion with businessmen for their own personal benefit. The opportunities there for dishonesty or collusion, Mr. Chairman, as brought out here, are tremendous.

The CHAIRMAN. Are there any further questions?

Mr. KENNEDY. To settle strikes or lessen the terms of contracts, or get personal loans, all of those things are being developed this afternoon. It is a matter of great importance, and something we will continue to pursue.

The CHAIRMAN. Anything further?

Mr. MARK. There is one thing I would like to say. Regarding the loan from the Detroit locals or the Michigan Conference of Teamsters, which was subsequently the replacement, that is a fully collateralized loan with over \$200,000 worth of collateral or security placed for that loan.

Mr. KENNEDY. That is fine. Banks are available. If it is such a good risk, the banks could have done it.

The second thing is that Mr. Hoffa immediately received a \$25,000 cash loan from you.

That is all.

The CHAIRMAN. Any other questions? If not, thank you. You may stand aside.

Mr. FITZGERALD. May I address the chairman for a moment?

The CHAIRMAN. Yes.

Mr. FITZGERALD. There are 2 or 3 things on behalf of the numerous clients that I have had down here that I would like to correct on the record, if the Chair would allow.

The CHAIRMAN. The Chair will hear you.

Mr. FITZGERALD. No. 1, with respect to Mr. Herman Kierdorf, a man who testified that he was pardoned in Ohio, before Mr. Salinger had testified, I had questioned Mr. Kierdorf about this pardon. I did not want him to be in a false light here. I could have him correct it under oath and will by affidavit or any other way. When I said to him, "Were you actually pardoned?" He said, "Yes, I was pardoned by the parole board." I then acquainted him with the fact that parole boards don't pardon people. So it was a misuse of terms.

No. 2, with respect to Mr. Bell, he testified that Mr. Hoffa was elected a delegate of 299 when the actual truth is that Mr. Hoffa, according to the international constitution, as a vice president was a delegate under that constitution because of his status as international vice president.

No. 3, on behalf of William Buffalino, another witness, Mr. Buffalino, on page 879 of the transcript, line 21, had referred to himself as a *res gestae* witness. It appears in the transcript as a "late witness," and he was somewhat concerned about it, so I think you should make that correction with the permission of the Chair.

One other thing, Mr. Chairman, with respect to my own testimony this morning, and it is a delicate problem when you are testifying with respect to your client's business, but I understand somewhere a service carried the story with respect to the Sun Valley situation that I had testified that it was a loan that should not be—I mean it was a project that should not be—that the union should not interest themselves in or use union funds. I wanted to make my position clear

on the record, and I think for the benefit of the press, because it is somewhat delicate, I don't want them to misinterpret my position. If I may, I would like to restate it, because I was under oath before.

At the time the proposition was first presented to me, the Sun Valley Corp. was attempting to sell property that they had acquired under an option. That was the definite situation. I told them and I told the union that in the light of that, I thought it was improper and illegal and that the union funds should not in any way be concerned with it. Later on, however, Mr. Lower came back to me and said that he had adopted my way of doing business as far as the sale of the property was concerned, that he had acquired title to the property, and that he was selling a legally described lot. Because of that, I went ahead and assisted him with the Michigan Corporation Securities Commission. I didn't want the record to show that I had entirely condemned the project, because I have no right to do that.

The CHAIRMAN. All right. Thank you very much.

Mr. KENNEDY. Mr. Chairman, we have one witness which I think will be very short. Mr. Schuler.

Mr. FITZGERALD. When the judge says adjourned and the lawyer keeps talking, he always gets in trouble.

Mr. KENNEDY. Mr. Schuler.

Mr. FITZGERALD. I have the records, incidentally, from Mr. Schuler that I wanted to transfer to Mr. Bellino.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. SCHULER. I do.

TESTIMONY OF WALTER SCHULER, ACCOMPANIED BY HIS COUNSEL, GEORGE S. FITZGERALD

The CHAIRMAN. Be seated. State your name, your place of residence, and your business or occupation.

Mr. SCHULER. Walter Schuler, 7355 St. Mary, Detroit, Mich. Business agent for Teamsters Local 337.

Mr. KENNEDY. You have been a business agent for how long?

The CHAIRMAN. Let the record show Mr. Fitzgerald is his counsel.

Mr. KENNEDY. You have been business agent for how long?

Mr. SCHULER. Approximately 14 years.

Mr. KENNEDY. Do you have any other source of income?

Mr. SCHULER. No, sir.

Mr. KENNEDY. Have you had any other source of income?

Mr. SCHULER. Yes, sir.

Mr. KENNEDY. What has that been?

Mr. SCHULER. I owned a vending-machine business.

Mr. KENNEDY. You owned a vending-machine business?

Mr. SCHULER. That is right.

Mr. KENNEDY. When did you sell that?

Mr. SCHULER. I sold it the first of the year.

Mr. KENNEDY. How long did you own it?

Mr. SCHULER. I had it 7 or 8 years.

Mr. KENNEDY. Seven or 8 years?

Mr. SCHULER. That is right.

Mr. KENNEDY. To whom did you sell it?

Mr. SCHULER. I sold it to Jack Bushkin.

Mr. KENNEDY. Jack Bushkin?

Mr. SCHULER. Market Vending Co.

Mr. KENNEDY. For how much did you sell it to him?

Mr. SCHULER. \$20,000.

Mr. KENNEDY. \$20,000?

Mr. SCHULER. That is right.

Mr. KENNEDY. Mr. Bushkin is a labor-relations consultant: is he not?

Mr. SCHULER. I believe so.

Mr. KENNEDY. He represents grocery stores and several of the larger drugstores in Detroit: does he not?

Mr. SCHULER. I believe that is right.

Mr. KENNEDY. You as a business agent have jurisdiction over some of those contracts. You are the business agent that operates with those contracts or services those contracts?

Mr. SCHULER. I handle some of the contracts that he may be a representative for, yes.

Mr. KENNEDY. You also had machines in companies that had contracts with your local, did you not?

Mr. SCHULER. I believe a few, yes.

Mr. KENNEDY. I would like to get your records.

The CHAIRMAN. You are prepared to turn over your records?

Mr. FITZGERALD. Yes.

Mr. KENNEDY. Did Mr. Hoffa know that you had this vending machine route?

Mr. SCHULER. Yes, sir.

Mr. KENNEDY. He knew that you sold it to Mr. Bushkin?

Mr. SCHULER. At the time that I sold it, I don't believe he did, but he subsequently found out.

Mr. KENNEDY. Mr. Bushkin represents A. C. F. Wrigley, does he not?

Mr. SCHULER. I do not know whether he represents A. C. F. Wrigley.

Mr. KENNEDY. The Cunningham Drugstore?

Mr. SCHULER. I do not know for a fact that he represents the Cunningham Drugstore.

Mr. KENNEDY. Do you service the contracts of that drugstore?

Mr. SCHULER. I service the warehouse and the drivers.

Mr. KENNEDY. How many employees did you have?

Mr. SCHULER. You mean total?

Mr. KENNEDY. Yes.

Mr. SCHULER. I approximately serve——

Mr. KENNEDY. How many employees did you have?

Mr. SCHULER. Did I personally have?

Mr. KENNEDY. No, the employees of your vending company.

Mr. SCHULER. I had one.

Mr. KENNEDY. Was he a member of the union?

Mr. SCHULER. Yes, sir.

Mr. KENNEDY. I thought when I talked to you in Detroit, I thought you said you had 2 or 3.

Mr. SCHULER. I had 7 or 8 total, but only one at a time.

Mr. KENNEDY. Was he a member of the union?

Mr. SCHULER. Yes, sir.

Mr. KENNEDY. When did he become a member?

Mr. SCHULER. When I hired him.

Mr. KENNEDY. When I asked you out in Detroit you said he wasn't a member of the union.

Mr. SCHULER. No, sir, that is not so.

Mr. KENNEDY. Did you tell me that?

Mr. SCHULER. Yes, sir, I did tell you.

Mr. KENNEDY. You did tell me?

Mr. SCHULER. I did tell you that he belonged to the union.

Mr. KENNEDY. Didn't you say that you had not had time to get him in the union?

Mr. SCHULER. No, sir.

Mr. KENNEDY. That he was in 2 or 3 months?

Mr. SCHULER. No, sir.

Mr. KENNEDY. Was he with you 2 or 3 months?

Mr. SCHULER. The last one was with me 2 or 3 months, and he is the only one that did not belong to the union.

Mr. KENNEDY. That is Mr. Bushkin's union?

Mr. SCHULER. No, sir.

Mr. KENNEDY. What union would he belong to?

Mr. SCHULER. 985.

Mr. KENNEDY. I mean Mr. Buffalino's local.

Mr. SCHULER. That is right.

Mr. KENNEDY. Did Mr. Buffalino know that you had an employee that was not a member of the local?

Mr. SCHULER. At the time I don't know that he did.

Mr. KENNEDY. That is all, Mr. Chairman.

The CHAIRMAN. All right. Thank you very much.

Mr. KENNEDY. There are a number of witnesses that we were not able to hear, Mr. Chairman. I have discussed it with Mr. Fitzgerald and they will be recalled.

The CHAIRMAN. The witnesses that we have been unable to hear who are here under subpoena—and by virtue of an understanding between them and their counsel that they will be available when the committee may require their attendance—are placed under the cognizance to return at such time as you receive reasonable notice to do so. That is an announcement to all witnesses whether you are represented by counsel, all who have been subpoenaed, and all who are here at this time, under agreement to testify at this hearing. That will include, of course, Mr. Buffalino. We have been unable to complete his testimony at this time.

The Chair wishes to announce on August 23 at the conclusion of the previous series of hearings, looking into the activities of Mr. James Hoffa and associates in the teamsters union, the chair issued a statement regarding the improper practices that the evidence adduced in those hearings indicated had occurred. I believe there were some 48 in number which we identified and pointed out specifically. Today the Chair will make a brief summary of what the evidence has shown in this series of hearings regarding Mr. Hoffa.

The evidence before the committee at this hearing has shown or clearly indicated these further improper activities of Mr. James R. Hoffa and some of his associates.

We begin with No. 49, because the other ended with No. 48. These continue to where the last one is numbered 82. I believe copies of these

have been given to the press. The Chair will therefore take the time to read them. They start off that:

49. Mr. James R. Hoffa arranged for \$30,000 in union members' dues to be paid as legal fees on behalf of four Pontiac, Mich., teamster officials indicted for and ultimately convicted of extortion.

50. That James R. Hoffa continued the salary of four Pontiac, Mich., teamster officials after they were convicted and sent to the penitentiary. Their salaries continued after they came out of the penitentiary even though, with one minor exception, none of these men performed any services for the funds received. As of this date, these men have received \$85,489 of union members' dues, money for which they did no work.

I am not going to read all of them, but I shall instruct the reporter to print all of this in the record as if read. It has been given to the press and it is the statement of the chairman as a summation of what the testimony developed in this series of hearings either definitely shows or clearly indicates.

51. James R. Hoffa caused \$31,953 of union members' dues to be paid in legal fees on behalf of Sidney Brenman, third vice president of the International Brotherhood of Teamsters, Gerald Connelly, Minneapolis teamster official and labor racketeer, and two other officials after they had been charged with extorting money from employers. They were ultimately convicted.

52. James R. Hoffa expended an additional \$22,428 of teamster union members' due in defense of Gerald Connelly, Minneapolis teamster official and twice-convicted extortionist after the latter had been indicted in connection with the dynamiting of two fellow teamster officials. Hoffa had this money expended after he publicly repudiated Connelly in newspaper interviews and said the union would have nothing further to do with him.

53. James R. Hoffa had 2 teamster business agents spend 3 months at Itron River, Mich., working on the property of the Hobren Corp., a company owned by the wives of James R. Hoffa and his chief lieutenant, Owen Bert Brenman. This activity cost the teamsters \$3,772.75.

54. James R. Hoffa caused to have transferred \$500,000 in teamster union funds to a Florida bank in order to assure that that bank would loan \$500,000 to Sun Valley, a land development scheme in which Hoffa and his chief aid, Owen Bart Brenman, had 45 percent option to purchase.

55. James R. Hoffa instructed Mr. Robert P. Scott secretary-treasurer of local 614, in Pontiac, Mich., to hide out William Hoffa, his brother, while the latter was being sought by the police on an armed robbery charge. During this period, the union paid Mr. William Hoffa's hotel bill and \$75 a week in expenses.

56. James R. Hoffa sent Mr. Thomas Burke, an organizer for the Michigan Conference of Teamsters, to California to find the runaway wife of William Hoffa, at a cost to the union of some \$5,000 to \$7,000.

57. James R. Hoffa caused \$200,000 in union welfare funds to be loaned to the John W. Thomas department store in Minneapolis despite the fact the store was in the midst of a strike by a fellow AFL union.

58. James R. Hoffa had \$1 million in union welfare funds loaned to the John W. Thomas department store in Minneapolis, Minn., de-

spite the fact that a top store official had admitted the concern was near bankruptcy.

59. James R. Hoffa arranged for the payment of \$5,000 to a San Francisco attorney for the purpose of carrying an appeal to the Supreme Court on behalf of a St. Louis teamster official convicted of income-tax evasion. The appeal was carried on the basis that illicitly received funds do not constitute income for the purpose of making a tax return; \$2,000 was paid by Hoffa's home local 299 and \$3,000 by joint council 13, headed by a chief aide, Harold Gibbons, of St. Louis.

60. Henry Lower, promoter of the Florida Sun Valley land scheme, remained on the payroll of James R. Hoffa's home local 299 for 18 months while working on the land promotion in which Hoffa and his chief aid, Owen Bert Brennan, had an interest. He drew at least \$59,000 in salaries and expenses during this period from this and other Detroit locals.

IMPROPER UNION PRACTICES TO THE DETRIMENT OF THE MEMBERS BY
JAMES R. HOFFA AND HIS LIEUTENANT

61. Delegates to the national convention of the teamsters union from local 299 in Detroit, Mich., a local headed by James R. Hoffa, were named in violation of the specific provision of the constitution of the International Brotherhood of Teamsters.

62. Delegates to the national convention of the teamsters union from local 337 in Detroit, Mich., headed by Owen Bert Brennan, chief aid of James R. Hoffa, were elected in violation of the specific provisions of the constitution of the International Brotherhood of Teamsters. This illegality covered the election of Brennan himself.

63. James R. Hoffa has constantly defended and given aid and comfort to teamsters union officials who were selling out the interests of teamsters union members by setting themselves up in highly improper business activities and by entering into collusive agreements with employers.

64. James R. Hoffa has taken the part of employers and convicted extortionists against members of his own union as disclosed by sworn testimony by at least two witnesses before this committee.

65. James R. Hoffa arranged for the appointment of Zigmont Snyder, a notorious hoodlum, as a business agent of local 299 in charge of men working on the Detroit waterfront.

66. Zigmont Snyder, business agent of local 299, after appointment by James R. Hoffa, incorporated the Great Lakes Cargo Handling Corp., a stevedoring firm which made contracts with the Detroit shippers and which hired nonunion employees.

67. Zigmont Snyder, business agent of local 299, operated a non-union Detroit car wash which paid employees sweatshop wages of sometimes less than \$1 a day for 12 hours of work.

68. Lawrence Welch, business agent of Detroit local 985, and a convicted criminal, sought to induce a Detroit garage operator to take his business to the nonunion auto wash operated by Zigmont Snyder.

69. James R. Hoffa allowed Henry Lower, promoter of the Florida Sun Valley land scheme, to use teamsters offices and equipment in the furtherance of this land promotion in which James R. Hoffa and his chief aid, Owen Bert Brennan, had an interest.

70. Frank E. Fitzsimmons, vice president of local 299 and a close aid of James R. Hoffa, obtained 90 percent of the profits of a Detroit truck company by duress and threats.

71. Frank E. Fitzsimmons, vice president of local 299 and a close aid of James R. Hoffa, ultimately drove a Detroit truck operator out of business, and his company ended up in the hands of Mrs. James R. Hoffa, Fitzsimmons' two sons, and his brother-in-law.

72. Frank Fitzsimmons lost his memory before the committee, and failed to remember the source of \$7,000 which he said he had loaned to the Theater Trucking Co. in Detroit, Mich.

73. James R. Hoffa obstructed justice by having secret grand-jury testimony passed to him and, after finding out that Herman Prujanski had testified that Hoffa, through his business associate Oren DeMaas, chairman of the Michigan State Liquor Commission, could fix the liquor license problem for Prujanski by payment of several thousands of dollars, caused Prujanski to flee to California to evade any further testimony.

74. Mr. James R. Hoffa asked Mr. Robert Scott, then lobbyist for the Michigan State Federation of Labor, to intercede for a pardon for a notorious Detroit hoodlum who was the father-in-law of another Detroit hoodlum and friend of James R. Hoffa.

75. Mr. William Hoffa, brother of James R. Hoffa, threatened the life of Robert P. Scott after Scott had kept him from getting into the numbers racket.

76. Mr. James R. Hoffa and Mr. Owen Bert Brennan asked Mr. Robert F. Scott to make certain arrangements for gambling operations to be run in Oakland County, Mich., by Sam Fenazzo.

77. James R. Hoffa caused either \$40,000 or \$50,000 of union dues money from his home local 299 in Detroit to be loaned to John Bitonti, a notorious Detroit hoodlum who was unable to secure money from usual lending institutions because of his poor character, reputation, and long criminal record.

78. Testimony of 5 teamsters union business agents and information from 7 others regarding the so-called cash loans to Hoffa creates even greater doubt about the source of Mr. Hoffa's cash funds.

79. James R. Hoffa, in his testimony before this committee last month, when he recited what he said was a list of all his loans, failed to mention that he had borrowed \$100,000 from a bank in Cleveland, Ohio.

COLLUSION BY MR. HOFFA WITH EMPLOYERS AND OTHERS

80. James R. Hoffa and Owen Bert Brennan entered into a highly collusive business arrangement with Henry Lower for their own personal profit and to the detriment of union members.

81. James R. Hoffa and his chief aid, Owen Bert Brennan, after acquiring a truck company, through the intercession of Mr. Bert Beveridge, owner of Commercial Carriers, assured Mr. Beveridge that he would not have to put back to work certain teamsters union members fired by Commercial Carriers. They also assured Beveridge that he need not restore seniority to a number of teamsters members fired and then rehired by Commercial Carriers.

82. Mr. James R. Hoffa and his chief aid, Mr. Owen Bert Brennan, sold their trucking company, the National Equipment Co., to Michi-

gan trucking operator, William Bridge, for \$10,000, whereas the true value of that trucking company was minus \$6,013.53.

In an investigation of this character and one of this broad scope and one that is confronted with as many difficulties as we are encountering, I would like to make this further statement. We find witnesses who cooperate, we find others who do not. Sometimes those witnesses who cooperate do so with great courage, and sometimes even under circumstances where they feel and have reason to believe that they incur the risk of violence either to them or to their families or financial difficulties in connection with the operation of their business. So I would like to say to all of the witnesses who cooperate with us, you have the gratitude and appreciation of this committee. I would like to extend my thanks to the United States General Accounting Office in Detroit, Mich., and the head of that office, Mr. Charles Moore, for the splendid cooperation he has extended during this hearing and for the hard work and long hours by his accountants, D. W. Dickens, Thomas G. Jankowski, Julius A. Utecht, and Clayton Hebert. These men, I am advised by our chief counsel, worked extremely hard and long hours, and we want to extend our thanks to them.

I would also like to express our thanks to Mr. G. Ray Bandy, the head of the Seattle office of the General Accounting Office, for the loan of the services of Mr. Walter Henson, who also put in long and hard hours during this investigation. Also to Mr. Leach—I don't have his initials—the regional director of the General Services Administration in Detroit, Mich., for the cooperation he has given the members of our staff.

We extend our thanks also to certain Minneapolis officials who were a great help in this investigation, George McKinnon, United States district attorney; Miles Lord, State attorney general; George Scott, Hennepen County attorney; Capt. Don Johnson, Minneapolis Police Department; Mayor P. K. Peterson, of Minneapolis; Milton Winslow, chief of police; Mr. Orloff Hylle and Mr. M. J. Miller of the General Accounting Office.

The committee could never accomplish any extensive results, to say the least, in this sort of an inquiry and this character of an investigation except that it has an efficient, a loyal, and hardworking staff. I have marveled that we have in this instance, particularly where we set up a staff hurriedly, been able to get a quality of staff that is capable not only of doing the job, but who make sacrifice of time and expend great effort to carry out their mission. These hearings such as you have witnessed here and others in the past could not be a success except for the work that is done behind the scenes when sometimes you and I are asleep, with this staff working to get this information and get it in order where it can be presented in evidence fashion as we receive it in an open hearing.

Among those, and not to the exclusion of others—there may be some I cannot mention and I may overlook—among those members of the staff whom I am referring to, of course, would come our chief counsel, Mr. Kennedy, and I note that he did not include himself, but he is included and is at the top of the list. The accounting consultant, Mr. Bellino, who works constantly for us; the chief assistant counsel, Mr. Adlerman; Assistant Counsel Kenneth O'Donnell, and Irwin Langenbacher, and investigators Kelly, Sherman Willse, Edward Jones, James Mundie, Pierre Salinger, Jack Aporta, Arthur Kaplan, and Harold

Ranstad. It says we also have on our staff in Detroit Misses Angela Novello, Doryl Shea, and Yvonne Scott. They are regular employees of the staff, and there are others who work here in the offices constantly. I do not intend to try to name all the staff, but I think the public should know—the Senators maybe get the limelight and get the credit and they get most of the blame if there is any blame that attaches—I think the public should know that behind what they see out here are men and women devoted to their country who are working not for excessive salaries, but are earning every dollar. It is with that kind of teamwork that this committee is able to make such progress as it makes. My thanks to all members of the staff.

Mr. KENNEDY. We had three people from the General Accounting Office in St. Louis that I would like to mention.

The CHAIRMAN. They are Mr. Colin Blick, Mr. Marvin Gettle, and Mr. Yarbrough. These folks were from the GAO in St. Louis.

If there is nothing further, I cannot make an announcement as to the next meeting. We had scheduled a meeting of the committee for October 7. Apparently now we cannot be ready for that series of hearings at that date, and it will have to be deferred, and the Chair will have to announce later when the committee will again resume.

Senator Curtis, do you have any statement you wish to make?

Senator CURTIS. No. I just wish to concur in the remarks in reference to our staff, and everything the chairman has said. I also wish to add that during these weeks while members of the committee could not be here at all times, that we are cognizant of the great effort, long hours and many days spent by our chairman. He is entitled to much credit for doing this fine public service.

The CHAIRMAN. The Chair should also state for the benefit of those present, particularly, and to others who may have observed and followed these hearings through the press, that they should not forget, but should always remember that Members of Congress and Members of the United States Senate, particularly in a recess period of Congress, have work to do back home, and they make some sacrifice, too, when they come from their homes where they have speaking engagements and appointments and where they have obligations to be of service to their constituents, when they drop those duties there and come here in order to advance the work and the progress of the assignment that this committee has.

The committee stands adjourned.

(Members of the committee present at the time of adjournment: Senators McClellan and Curtis.)

(Thereupon at 3:10 p. m., the hearings were adjourned, subject to call of the Chair.)

(The testimony of Zigmont Snyder follows, as he did not appear before the committee until November 5.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

TUESDAY, NOVEMBER 5, 1957

UNITED STATES SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D. C.

The select committee met at 10 a. m., pursuant to Senate Resolution 74, agreed to January 30, 1957, in the caucus room, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Karl E. Mundt, Republican, South Dakota.

Also present: Robert F. Kennedy, chief counsel; P. Kenneth O'Donnell, assistant counsel; Irwin Langenbacher, assistant counsel; Pierre Salinger, investigator; Walter Sheridan, investigator; Carmine S. Bellino, accounting consultant; Ruth Young Watt, chief clerk.

The Chair has been advised that a witness whom we have been seeking has made his presence available to us.

Is Mr. Snyder in the room, Zigmont Snyder?

Will you be sworn, please, sir. You do solemnly swear the evidence you shall give before this Senate select committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. SNYDER. Yes, sir.

TESTIMONY OF ZIGMONT SNYDER, ACCOMPANIED BY HIS COUNSEL, BENEDICT F. FITZGERALD, JR.

The CHAIRMAN. State your name and your place of residence.

Mr. SNYDER. Zigmont Snyder, 9045 Riverdale, Detroit, Mich.

The CHAIRMAN. Mr. Snyder, I asked you your name, and your address and your business or occupation. As I recall, you only answered as to your name and address. Will you now give us your business or occupation, please sir?

Mr. SNYDER. Just a moment, please.

Mr. FITZGERALD. If I may, I would like to raise the same objections, as counselor for Mr. Zigmont Snyder. I want to raise the same objections as I did this morning and incorporate those objections by reference without repeating them.

Those will be the objections expressed in connection with my client Frank Kierdorf.

The CHAIRMAN. The same objection by reference will be noted in the record, and the same ruling of the Chair.

All right, Mr. Snyder, will you give us your business or occupation, please?

Mr. SNYDER. I respectfully decline to answer at this time upon advice of counsel and I assert my privilege under the fifth amendment to the United States Constitution. I assert my privilege not to be a witness against myself.

The CHAIRMAN. Do you honestly believe that if you truthfully answered the question as to your business or occupation, that a truthful answer might tend to incriminate you?

Mr. SNYDER. I do.

The CHAIRMAN. All right, Mr. Counsel, you may proceed.

Mr. KENNEDY. Now, Mr. Chairman, we served a subpoena on Mr. Zigmont Snyder after searching for him for a long period of time. We subpoenaed his books and records, both his personal books and records, and the books and records of companies in which he is the paramount stockholder or owner.

The CHAIRMAN. The Chair presents to you a subpoena, a copy of the original which was served on you, and I will ask you to examine it and state if that is a copy of the subpoena that you received.

(A document was handed to the witness.)

(The witness conferred with his counsel.)

Mr. SNYDER. Yes; I received the subpoena on the 31st day of October at 11:55 a. m.

The CHAIRMAN. Thank you very much. The subpoena, together with the return thereon, may be printed in the record.

(The subpoena is as follows:)

UNITED STATES OF AMERICA

CONGRESS OF THE UNITED STATES

To Zigmont Snyder, Detroit, Michigan, Greeting:

Pursuant to lawful authority, you are hereby commanded to appear before the Senate Select Committee on Improper Activities in the Labor or Management Field of the Senate of the United States, forthwith, at their committee room, Room 101, Senate Office Building, Washington, D. C., then and there to testify what you may know relative to the subject matters under consideration by said committee, and to produce all books and records of the Great Lakes Cargo Handling Company and any other company in which you have a fiduciary interest either as an individual or jointly with your wife or any other individual including cash receipts and disbursement books, cancelled checks, bank statements, loan records, correspondence files, contracts, memorandums, lists of employees hired, and any other records relating to above-named Great Lakes Cargo Handling Company or other business in which you have an interest.

Hereof fail not, as you will answer your default under the pains and penalties in such cases made and provided.

To ———— to serve and return.

Given under my hand, by order of the committee, this 15th day of September, in the year of our Lord one thousand nine hundred and fifty-seven.

JOHN L. McCLELLAN,
*Chairman, Senate Select Committee on Improper Activities
in the Labor or Management Field.*

OCTOBER 31, 1957.

I made service of the within subpoena by Hand, the within-named Zigmont Snyder, at Outside of 3401 North Military, Detroit, Michigan, at 11:45 o'clock a. m., on the 31st day of October 1957.

EDWARD M. JONES.
SHERMAN S. WILLSE.

The CHAIRMAN. The subpoena calls for certain records and documents that you were required to produce under it. Have you complied with the subpoena in producing the documents called for?

Mr. FITZGERALD. If I may say so at this time, that is a rather technical question and I spoke to Counsel Kennedy about that this morning.

Mr. Snyder has come forth here and he has been here now for 2 days and on the basis of the subpoena, he is producing some records, particularly those that relate to the Great Lakes Cargo Handling Co., which is a corporation. With respect to any personal records or records pertaining to any partnerships or any other unincorporated activities, he is going to take the fourth and fifth amendments and I have so advised him, and I thought I might clarify that.

The subpoena seems to be kind of all-encompassing, and that is the way it ought to be broken up.

The CHAIRMAN. The subpoena speaks for itself. What records do you have here that are now ready to be turned over to the committee?

Mr. FITZGERALD. The records—

The CHAIRMAN. Let the witness answer, please.

Mr. SNYDER. I was served with a subpoena on Thursday, October 31, and I have brought with me at this time all records that I had in my possession at that time with respect to the Great Lakes Cargo Handling Co. This does not mean everything related to that organization.

The CHAIRMAN. I do not want to interrupt you, but I cannot hear and I do not know just how you are responding to the question. You will have to speak louder or I will have to move over there close to you. I believe if you would get rid of the gum for a little while it would help us.

Mr. SNYDER. I will swallow it.

I was served with a subpoena on Thursday, October 31, 1957.

The CHAIRMAN. Let us have order. I wanted to hear the witness so I can know whether he is responding to the subpoena and whether he is complying with it.

Mr. SNYDER. I was served with a subpoena on Thursday, October 31, 1957. I have brought with me at this time all of the records that I have in my possession with respect to the Great Lakes Cargo Handling Co., and that does not mean everything relating to that organization is here.

It is only what I have in my possession. You gave me short notice, and many of the records are in the hands of my accountant and attorneys and I would be glad to cooperate with the committee and get those for you, but that will take a few days and I would like to have until November 15.

Some are with Mr. Sam Schwartz in Detroit and Phillip Weinstein, a certified public accountant, my auditor, and the records are in their possession, other than what I have here.

The CHAIRMAN. All right, you will deliver those that you have here today to the committee. Now, as I understand you, some of the other records of the Great Lakes Cargo Handling Co. are in the possession of your auditor.

Mr. SNYDER. That is right, for processing.

The CHAIRMAN. Where is he?

Mr. SNYDER. He is at the Penobscot Building.

The CHAIRMAN. Can you tell me the city?

Mr. SNYDER. Detroit, Mich.

The CHAIRMAN. In Detroit, Mich.?

Mr. SNYDER. Yes, sir.

The CHAIRMAN. And as I understand you, you are agreeing to make those available?

Mr. SNYDER. Absolutely.

The CHAIRMAN. Then you and the chief counsel may work out the earliest convenient time to deliver them to the committee.

Mr. SNYDER. Thank you.

The CHAIRMAN. I am taking your agreement, and you are under oath, to deliver them at the earliest convenient time. Now, then, will those records in the possession of your accountant, when delivered, constitute all of the records that you know of, called for by the subpoena with respect to the Great Lakes Cargo Handling Co.?

Mr. SNYDER. To date, yes. It will be up to date.

The CHAIRMAN. I mean it will constitute all of the records of that company?

Mr. SNYDER. That is right.

The CHAIRMAN. Now, then, you are asked here to produce some other records. That is, records of any other company in which you have a fiduciary interest, either as an individual or jointly with your wife or any other individual including cash receipts, disbursements, books, and so forth.

(The witness conferred with his counsel.)

The CHAIRMAN. The subpoena called for records of any other company or business in which you have an interest either fiduciary or otherwise, or in which your wife has an interest.

Are you prepared to deliver those records?

(The witness conferred with his counsel.)

Mr. SNYDER. Mr. Senator, it is understood when I said I would turn over records pertaining to the corporation, it would include the records of this interest I have with my wife.

The CHAIRMAN. That only pertained to the Great Lakes Cargo Handling Co.

Mr. SNYDER. And Fort Wayne Manor Auto Wash.

The CHAIRMAN. Those are the only two companies in which you have an interest.

Mr. SNYDER. Well, no; I have another one, the Nicholson Transit Co., but I work for them.

The CHAIRMAN. For what company?

Mr. SNYDER. I am an employee of the Nicholson Transit Co.; yes, sir.

The CHAIRMAN. I am not asking you to turn over the records of that company.

Mr. SNYDER. I can't do that. That is the only other interest I have.

Senator MUNDT. In Detroit, Mich.?

Mr. SNYDER. Yes, sir; and that is the only interests I have.

Senator MUNDT. You just work for them?

Mr. SNYDER. That is right.

Senator MUNDT. In what capacity?

Mr. SNYDER. I am a checker. I receive automobiles for shipping. Senator MUNDT. You do not have charge of their books and records?

Mr. SNYDER. No.

The CHAIRMAN. It is my understanding that the witness is agreeing to turn over, as soon as he can get them available from his accountant, all of the records of the Great Lakes Cargo Co. and of Fort Wayne Manor Auto Wash, and he says that these are the only two companies that he has an interest in. Is that correct?

Mr. SNYDER. That is true.

The CHAIRMAN. All right. Now, those he will turn over. The other company he mentioned he only works for it and he has no financial interest in it.

Mr. SNYDER. That is true.

The CHAIRMAN. That is correct, is it?

Mr. SNYDER. Yes.

The CHAIRMAN. Then you will make arrangements with the counsel here at your earliest convenience to make the records available to the committee.

Mr. KENNEDY. Are you still a business agent of local 299, Mr. Hoffa's local?

Mr. SNYDER. I respectfully decline to answer at this time upon advice of counsel, and I assert my privilege under the fifth amendment to the United States Constitution. I assert my privilege not to be a witness against myself.

Mr. KENNEDY. Our records show that you were a business agent at least up to a few weeks ago of local 299; is that correct?

Mr. SNYDER. I respectfully decline to answer at this time upon the advice of counsel, and I assert my privileges in the fifth amendment of the United States Constitution. I assert my privilege not to be a witness against myself.

Mr. KENNEDY. You were first a business agent for the ILA and you became a business agent in 1951, when you were selected at a meeting that was held in Mr. Hoffa's office; is that right?

Mr. SNYDER. I respectfully decline to answer at this time upon advice of counsel, and I assert my privilege under the fifth amendment to the United States Constitution. I assert my privilege not to be a witness against myself.

Mr. KENNEDY. And that you transferred your people over from the ILA to the IBL in September of 1955. Subsequently you brought all of these members of your local into the teamsters' union, into local 299.

My question is, Did you bring your members of your IBL local into the teamsters' local, into Mr. James Hoffa's teamster local?

Mr. SNYDER. I respectfully decline to answer at this time upon advice of counsel, and I assert my privilege under the fifth amendment to the United States Constitution, and I assert my privilege not to be a witness against myself.

Mr. KENNEDY. Was Mr. Hoffa aware of your criminal record when you became a business agent of his local 299?

Mr. SNYDER. I respectfully decline to answer at this time upon advice of counsel, and I assert my privilege under the fifth amendment to the United States Constitution. I assert my privilege not to be a witness against myself.

Mr. KENNEDY. Was he aware that you had been arrested at least two times for investigation prior to 1928 and in 1928 you were convicted for armed robbery and sentenced to 20 to 40 years in Jackson State Penitentiary? You were parolled in 1939 and you have been arrested three times since for investigation, and twice for armed robbery and once for assault and battery. Was he aware of all of that?

Mr. SNYDER. I respectfully decline to answer at this time upon the advice of counsel and I assert my privilege under the fifth amendment to the United States Constitution. I assert my privilege not to be a witness against myself.

The CHAIRMAN. When was he parolled?

Mr. KENNEDY. He was parolled in 1939, but he has been arrested a number of times since that time, twice for armed robbery and once for assault and battery in 1949.

Then, in 1955, when Mr. Snyder was having a dispute with certain other members of his union, regarding certain of his activities or planned activity, he claimed to the police that he was shot at in his car, his automobile.

Is that right, Mr. Snyder?

Mr. SNYDER. I respectfully decline to answer at this time upon the advice of counsel and I assert my privilege under the fifth amendment to the United States Constitution. I assert my privilege not to be a witness against myself.

The CHAIRMAN. Do we know whether anybody was indicted or prosecuted for shooting at him?

Mr. KENNEDY. What they did, they made an investigation of Mr. Snyder's statement that he was riding along and somebody shot at him and the police made an investigation and reached the conclusion that the car was standing still and that Mr. Snyder must have shot at the car himself.

The CHAIRMAN. Now, Mr. Snyder, I do not know whether that is important to this investigation, unless you want to make some statement about it. I think it is the duty of the committee to look into, somewhat, the character of people who are appointed to these responsible positions in unions. The reputation of people who are appointed to a position of trust and responsibility to represent the laboring people of this country, the duespaying members of organized labor, I think, is of some interest to the country generally, and certainly to the Congress, to know that they are not unreformed exconvicts. All right, proceed.

Mr. KENNEDY. According to the information that we have, Mr. Snyder was in charge of the docks for local 299, and he then formed his own company, called the Great Lakes Cargo Handling Co. This company is the one that handled all of the unloading and loading of the ships along those docks, and so he was both in charge of the employees as a union representative, and he was also the official of the company that was operating it.

The CHAIRMAN. That would appear to be a serious conflict of interest. Were you in charge of both the laboring men on the dock, representing them as a union official, and also representing the company and interested in the company with which they contracted for the services?

Mr. SNYDER. I respectfully decline to answer at this time upon advice of counsel, and I assert my privilege under the fifth amendment to the United States Constitution, and I assert my privilege not to be a witness against myself.

The CHAIRMAN. In that situation, you would be negotiating, for the union workers, a contract with yourself. Do you do that?

Mr. SNYDER. I respectfully decline to answer at this time upon advice of counsel, and I assert my privilege under the fifth amendment to the United States Constitution. I assert my privilege not to be a witness against myself.

Mr. KENNEDY. I am not sure it was a complete conflict of interest, because most of the employees working for Mr. Snyder in his company, according to the information we have, were nonunion. Isn't that right, Mr. Snyder?

Mr. SNYDER. I respectfully decline to answer at this time upon the advice of counsel, and I assert my privilege under the fifth amendment to the United States Constitution, and I assert my privilege not to be a witness against myself.

The CHAIRMAN. I think that there could be a conflict of interest, even though there was not a union, but I was under the assumption that there was a union when I asked the question. All right, proceed.

Mr. KENNEDY. In addition to that interest, Mr. Snyder, according to the information we have, you also formed the Fort Wayne Manor Auto Wash with your wife, Estelle; is that right?

Mr. SNYDER. I respectfully decline to answer at this time upon advice of counsel, and I assert my privilege under the fifth amendment of the United States Constitution. I assert my privilege not to be a witness against myself.

The CHAIRMAN. Mr. Snyder, could you say that you declined to answer at this time on the advice of counsel? Can you indicate to the committee at what time you may be ready and willing to answer?

Mr. SNYDER. That would depend upon my attorney's advice.

The CHAIRMAN. All right; proceed.

Mr. KENNEDY. Mr. Chairman, this car-wash operation was formed at the end of 1955 or in 1956. As I say, it was formed by Mr. Snyder as a business agent of local 299, but the employees of this auto wash were also nonunion. Could you tell us anything about that, Mr. Snyder?

Mr. SNYDER. I respectfully decline to answer at this time upon the advice of counsel, and I assert my privilege under the fifth amendment of the United States Constitution, and I assert my privilege not to be a witness against myself.

The CHAIRMAN. Do I understand, Mr. Counsel, that, at the time that he was representing the union, and an official in the union, he was operating businesses of his own that were not unionized?

Mr. KENNEDY. That is correct. As a matter of fact, on one occasion, according to the testimony before this committee, a business agent of another local recommended his nonunion car wash to companies to bring their cars to have them washed. Now, we understand again, and this is the testimony before our committee, and I wonder if it is a practice still going on, that Mr. Snyder was paying his employees, for a 12-hour day, somewhere between 75 cents and \$1.50 a

day. The average weekly wage for a 7-day week, 12-hour day, was approximately \$70. Could you tell us about that, Mr. Snyder?

Mr. SNYDER. I respectfully decline at this time, upon advice of counsel, and I assert my privilege under the fifth amendment of the United States Constitution. I assert my privilege not to be a witness against myself.

Mr. KENNEDY. Are the employees still getting that money, receiving about that amount in pay?

Mr. SNYDER. I respectfully decline to answer at this time upon advice of counsel, and I assert my privilege under the fifth amendment of the United States Constitution, and I assert my privilege not to be a witness against myself.

The CHAIRMAN. Are there any questions, Senator Mundt?

Well, if at some future time during the life of this committee, on the advice of counsel, you find yourself prepared to answer the questions, I hope that you will so advise us, so that we may consider recalling you. You may stand aside.

APPENDIX

EXHIBIT No. 1

NAME **Herman Hierdorf**
 REFERENCE **.2832 Trumbull**
 BUSINESS ADDRESS **Jt. Council Teamster, 1**
 LOAN DATE **1-24-52**
 PAYABLE **2066**

66684 A 20

TEL. NO. **110.34988**
 TEL. NO. **110.20017**
 AMOUNT **1326.00**
 APPLICATION NO. **661238**

TIME	DEPOSIT	DATE DUE	BALANCE	DATE PAID	
1	68.00	FEB 52	1,326.00	FEB 22 1952	1
2	74.00	MAR 52	1,258.00	MAR 20 1952	2
3	74.00	APR 52	1,184.00	MAY 2 1952 D	3
4	74.00	MAY 52	1,110.00	JUN 6 1952 D	4
5	74.00	JUN 52	1,036.00	JUL 4 1952 H	5
6	74.00	JUL 52	962.00	JUL 23 1952 D	6
7	74.00	AUG 52	888.00	AUG 26 1952 J	7
8	74.00	SEP 52	814.00	OCT 8 1952 N	8
9	74.00	OCT 52	740.00	OCT 15 1952 N	9
10	74.00	NOV 52	666.00	DEC 3 1952 N	10
11	74.00	DEC 52	592.00	JAN 12 1953 N	11
12	74.00	JAN 53	518.00	FEB 9 1953 J	12
13	74.00	FEB 53	444.00	MAR 2 1953 J	13
14	74.00	MAR 53	370.00		14
15	74.00	APR 53	296.00		15
16	74.00	MAY 53	222.00		16
17	74.00	JUN 53	148.00		17
18	74.00	JUL 53	74.00		18

CO-MAKER **BUZCK-50**
 ADDRESS **MAY 24 1953**
 CO-MAKER
 ADDRESS
 CO-MAKER
 ADDRESS

APR 7 No. 1953

TEL. NO. **1200.00**

NOTICES

4-45-34
 2-4-30
 5-27-2
 2-6-2
 626 1
 2-7-1
 420 2
 2-8-40
 10 2 1
 2-12-2
 11226 2
 12-1-6
 13-1-9

1-2-2
 12-2-2
 2-25-3
 1-2-2
 12-2-2
 2-25-3
 1-2-2
 12-2-2
 2-25-3

EXHIBIT No. 2

NAME **Kiendorf, Leila**
 RESIDENCE **2832 Trumbull**
 BUSINESS ADDRESS **Chrysler Parts Div.**
 LOAN DATE **10-24-51**

70779 A25

TEL. NO. 101 514

TEL. NO.

AMOUNT **872.00**APPLICATION NO. **650136**

PAYABLE	FINES	DEPOSIT	DATE DUE	BALANCE	DATE PAID	
1		56.00	NOV 51	872.00	NOV 27 1951	1
2		48.00	DEC 51	816.00	JAN 4 1952	2
3		48.00	JAN 52	768.00		3
4		48.00	FEB 52	720.00	FEB 11 1952	4
5		48.00	MAR 52	672.00	MAR 1 1952	5
6		48.00	APR 52	624.00	APR 7 1952	6
7		48.00	MAY 52	576.00	MAY 18 1952	7
8		48.00	JUN 52	528.00	JUN 1 1952	8
9		48.00	JUL 52	480.00	JUL 13 1952	9
10		48.00	AUG 52	432.00	AUG 26 1952	10
11		48.00	SEP 52	384.00	SEP 1 1952	11
12		48.00	OCT 52	336.00	OCT 5 1952	12
13		48.00	NOV 52	288.00	NOV 5 1952	13
14		48.00	DEC 52	240.00		14
15		48.00	JAN 53	192.00	JAN 1 1953	15
16		48.00	FEB 53	144.00	FEB 2 1953	16
17		48.00	MAR 53	96.00		17
18		48.00	APR 53	48.00		18

CO-MAKER

ADDRESS

CO-MAKER

ADDRESS

CO-MAKER

ADDRESS

TEL. NO.

TEL. NO.

TEL. NO.

NOTICES

630 7

10 8

12 1 3

1231 6

1 30 6

EXHIBIT No. 3

Craven E. 88

EMPLOYMENT AGREEMENT

This agreement made in the City of Detroit, State of Michigan on November 2nd, 1944 by Howard C. Craven, d/b/a Exhibitors Service Company, having his principal office at 2310 Cass Avenue (herein called the "First Party") and John E. Curran residing at 2120 Salina Avenue, Dearborn, Michigan (Herein called (Second Party")), WITNESSETH:

WHEREAS, the First Party is engaged in the business of transporting film; and

WHEREAS, the First Party desires to enter into the business of transporting theatrical advertising and to develop this new phase of business; and

WHEREAS, Second Party desires to enter into the service of the First Party as Manager of that portion of the business covering the transportation of theatrical advertising:

NOW, THEREFORE, IT IS MUTUALLY AGREED, AS FOLLOWS:

1. That the First Party hereby hires the Second Party and that the Second Party shall work for the First Party as Manager of the theatrical advertising operation within Greater Detroit.

2. That during the term of this agreement the Second Party shall:

(a) Develop and build up that portion of the business covering the transportation of theatrical advertising; and

(b) Manage, direct and superintend that portion of the business covering the transportation of theatrical advertising to the best of his ability, subject at all times to the directions, instructions and control of the First Party; and

(c) Keep, observe and perform such rules, regulations, and duties as the First Party in his discretion from time to time may prescribe in connection with that portion of the business; and

(d) Keep such books of account and records as may be prescribed from time to time by the First Party and correctly

EXHIBIT No. 3—Continued

enter therein any and all moneys received from that portion of the business.

3. That during the term of his employment the Second Party shall devote his whole time to his duties as Manager.

4. (a) That for his services hereunder, the First Party shall pay to the Second Party the following compensation:

1. A commission on the net profits - as such term "net profits", is hereinafter defined and limited - earned from that portion of the business during the term of the Second Party's service thereat, amounting to the sum of 90% of all of such net profits.

(b) That for the purpose of ascertaining the net profits under this agreement, the following rules shall apply:

From the gross profits earned from that business of the operation there shall be deducted the operating expenses of the truck: specifically, cost of the gas, oil and lubrication, pro rate cost of the insurance and minor repairs.

(c) That the books and accounts of that portion of the business shall be checked by both the parties and the net profits thereof shall be ascertained immediately at the end of each week; and all commissions based upon such net profits payable to the Second Party shall be paid within one week after the amount thereof shall have been ascertained.

5. That if any disagreement shall arise between the parties in respect to any matter, cause or thing whatsoever not hereinotherwise provided for, the same shall be decided and determined by arbitration; and each party shall select one of such arbitrators and both of such arbitrators shall select a third arbitrator and the decision of any two arbitrators when made in writing shall be conclusive upon both parties hereto;

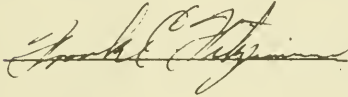
6. That this agreement may be terminated by either party upon a thirty (30) day written notice or by mutual agreement of the parties hereof;

EXHIBIT No. 3—Continued

7. That this agreement shall begin on the Second day of November, 1944 and shall continue for a period of one year thereafter except as herein otherwise provided.

IN WITNESS WHEREOF, the parties herein have set their hands and seal, the day and year first above written.

Witnesses



Howard C. Craven, d/b/a
Exhibitors Service Company
("First Party")

By: H. C. Craven

John E. Curran
("Second Party")

By: John E. Curran

ADM:C

DETROIT, MICHIGAN Sept 26 19 21 NO.

NATIONAL BANK OF DETROIT 9-32

MCMCHOLS-SORRENTO OFFICE 29

PAY TO THE ORDER OF John Curran \$ 500 DOLLARS

Five hundred and 00/100

Special Account

Howard P. Curran

CRAIG, EX #1

Wages
 John Curran
 Frank E. Curran
 75208

OCT 1 4 50302 545
 DETROIT, MICHIGAN
 ALL FRIG. O. C. 1921
 9-31 DETROIT 9-31

WOLFRAM

EXHIBIT No. 8

ROOM NO. 301
306**Waves**
HOTEL AND EFFICIENCY APARTMENTS
MIAMI BEACH 39, FLORIDA

No

REGISTER NO. _____

DATE 2-6 1966NAME ConnellyNO. PERSONS 1RATE 15-Day

ADDRESS _____

ARRIVAL _____

DEPARTURE _____

CITY Miami Beach

FORWARD FROM _____

TO _____

FORM H-18

DATE	2/6	2/7	2/8	2/9	2/10	2/11		TOTAL
AMOUNT FOR'D		15 45	30 90	46 35	61 80	77 25		
ROOMS	15 -	15 -	15 -	15 -	15 -			
8% SALES TAX	45	45	45	45	45			
COFFEE SHOP								
PHONE L. D.			11 75	5 25	11 80			
PHONE LOCAL								
BEVERAGES								
TELEGRAMS								
LAUNDRY								
VALET								
BAGGAGE								
MISC.								
SOLARIUM								
CASH DISB.								
TRANSFER FROM								
TOTAL	15 45	15 45	15 45	15 45	15 45			
CASH RECEIPTS								
ALLOWANCES								
TRANSFER TO								
BALANCE	15 45	30 90	46 35	61 80	77 25			

Minneapolis, Minn.,
 Feb 28, 1936.
 No. 30282
NORTHWESTERN NATIONAL BANK
 MINNEAPOLIS, MINN.
 PAY TO THE ORDER OF **Waves Hotel**
PAY \$107.00
 Waves Hotel
 Ocean & 11th St.
 Miami Beach 39 Fla.
 John W. Thomas & Co.
 by *A. G. Barry*
 Countersigned

FOR DEPOSIT ONLY
THE WAVES, INC.
WAVES HOTEL

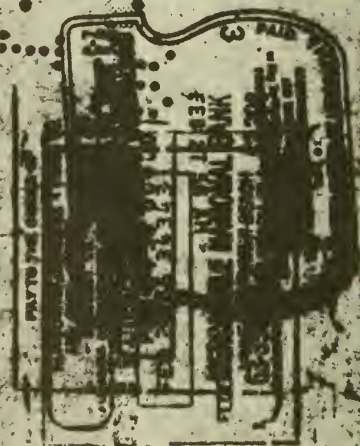


EXHIBIT No. 10

UNITED STATES
GENERAL ACCOUNTING OFFICE
Form No. 514 (5-1-52)

a John W. Thomas Miami Beach, Fla.

J Marshall
7/2/57

Check 90202 dated 2/20/56 \$19215.00 Miami Beach, Fla. entered 2/20/56. Disposition on the John W. Thomas account North American National Bank & Trust Co.

Supporting Bill for the total was rec'd for 1956

LYNNOW Room 322

Room 2/20/56

\$15 per day

30.00

Lake Tax

70

Local Phone

60

Long Distance

2545

Cash

1380

7075

Approved JH

GEORGE CAHEN Room 301

Room 2/20/56, 2/21/56, 2/22/56

75.00

Lake Tax

225

Local Phone

80

Long Distance Phone

2655

11610

Approved JH

STATEMENT Federal 3-4763

26 South Sixth Street
Minneapolis 2, Minnesota

Local 548
706 First Ave. No.
City

PLEASE DETACH AND MAIL WITH REMITTANCE

MEMO	DATE	CHARGES	CREDITS	BALANCE
BALANCE FORWARDED			Sep '55	707.65
<p><i>chg off</i></p> <p><i>ask amt</i></p>				

MEMBERS WHO CHARGE HERE AFTER TWO DAYS WILL APPEAR IN THE FOLLOWING MONTH'S STATEMENT

MURRAY'S INCORPORATED
26 SOUTH SIXTH STREET
MINNEAPOLIS 2, MINNESOTA

PLEASE PAY
LAST AMOUNT
IN THIS COLUMN

CENTRAL STATES CONFERENCE OF TEAMSTERS - 1127 PINE STREET - ST. LOUIS 1, MO.

Date September 16, 1966 No. 2775

20.

DAY TO THE ORDER OF

\$ 2500.00

THE UNIVERSITY OF CHICAGO

SECURITY NATIONAL BANK
SAVINGS AND TRUST COMPANY
EIGHTH STREET BETWEEN OLIVE AND LOCUST
ST. LOUIS, MO.

AUTHORIZED SIGNATURE

AUTOMOBILE CIGNATION

PAY TO THE ORDER OF
FIRST PRODUCE STATE
2151
Nemerov & Perl, Inc.
TRUST ACCOUNT

FOUR FIVE BANK
SEP 21 1950

NATIONAL BANK 1870

FIRST NATIONAL BANK
4-5 IN STOCK AT 4.5

EXHIBIT No. 14—Continued

CENTRAL STATES CONFERENCE OF TEAMSTERS - 127 2ND STREET - ST. LOUIS 1, MO.

No. 2525

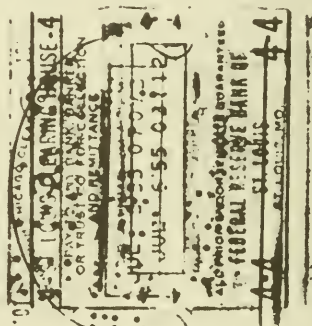
Date June 28, 1935

PAY TO THE ORDER OF Elmer J. Ryan \$ 2,500.00

The sum of \$2,500.00

James P. Ryan
TO THE ORDER OFSECURITY NATIONAL BANK
SAVINGS AND TRUST COMPANY

ST. LOUIS, MO.

Pay to the order of
Drivers Exchange
State Bank
Edmund Ryan

409
BIO

CENTRAL CONFERENCE OF TEAMSTERS · 1127 PINE STREET · ST. LOUIS 1, MO.

Date July 16, 1956

No 3938

PAY TO THE ORDER OF

Edward Bennett Williams

\$ 1,197.55

The sum of \$ 1,197 and 55/100

SECURITY NATIONAL BANK

SAVINGS AND TRUST COMPANY

1001 N. STREET BETWEEN OLIVE AND LOCUST

ST. LOUIS, MO.

AUTHORIZED SIGNATURE

AUTHORIZED SIGNATURE

WASHINGTON, D.C. JUL 16 1956

WASHINGTON, D.C. JUL 16 1956

WASHINGTON, D.C. JUL 16 1956

WASHINGTON, D.C. JUL 16 1956

WASHINGTON, D.C. JUL 16 1956

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WASHINGTON, D.C. JUL 16 1956

WASHINGTON, D.C. JUL 16 1956

WASHINGTON, D.C. JUL 16 1956

WASHINGTON, D.C. JUL 16 1956

WASHINGTON, D.C. JUL 16 1956

FOR DEPOSIT ONLY
TO THE ACCOUNT OF
EDWARD BENNETT WILLIAMS

JUL 23 1956

JUL 23 1956 00002

BANK OF AMERICA
WASHINGTON, D.C.

WASHINGTON, D.C.

WASHINGTON, D.C.

WASHINGTON, D.C.

WASHINGTON, D.C.

WASHINGTON, D.C.

WASHINGTON, D.C.

WASHINGTON, D.C.

WASHINGTON, D.C.

No. 3918

July 12, 1956

\$ 10,000.00

Edward Bennett Williams

PA: TO THE ORDER OF

• • • **the simple**
SECURITY NATIONAL BANK
SAVINGS AND TRUST COMPANY

THIN-ED SIGNATURE

A. THOMAS SIGWAT HT

FOR DEPOSIT ONLY
TO THE ACCOUNT OF
EDWARD BENNETT WILLIAMS

[illegible][illegible]

ST. LOUIS 1, MO.

1127 PIDE STREET

CENTRAL CONFERENCE OF TEAMSTERS

No 3044

\$ 10,756.00

PAY TO THE
ORDER OF

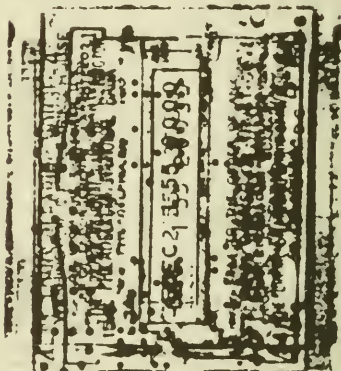
Edward Bennett Williams

The sum of \$ 10,756.00

SECURITY NATIONAL BANK

SAVINGS AND TRUST COMPANY

ST. LOUIS, MO.

Edward Bennett Williams
1000 Washington Building
Washington C. D. C.FOR DEPOSIT ONLY
TO THE ACCOUNT OF
EDWARD BENNETT WILLIAMS

CENTRAL STATES CONFERENCE OF TEAMSTERS - 1127 PINE STREET - ST. LOUIS 1, MO.

Date June 28, 1933

No. 2526

\$ 5,000.00

PAY TO THE ORDER OF Edward B. Williams, Atty.

The sum of \$5,000.00 and no/100ths

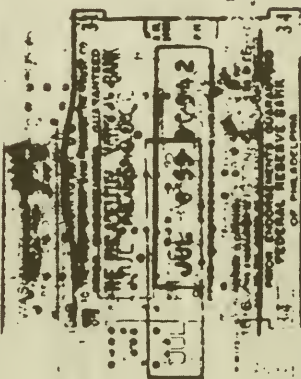
James A. Jeffers

SECURITY NATIONAL BANK
SAVINGS AND TRUST COMPANY
EIGHTH STREET BETWEEN OLIVE AND LEMAY
ST. LOUIS, MO.

AUTHORIZED SIGNATURE

AUTHORIZED SIGNATURE

FOR DEPOSIT ONLY
TO THE ACCOUNT OF
EDWARD BENNETT WILLIAMS



CENTRAL STATES CONFERENCE OF TEAMSTERS - 1127 PINE STREET - ST. LOUIS 1, MO.

PAY TO THE ORDER OF

Thomas O. Kachelmacher

The sum of \$5,000 and 00/100

No 2058

Date: January 28, 1953

\$ 5,000.00

SECURITY NATIONAL BANK
SAVINGS AND TRUST COMPANY
EIGHTH STREET BETWEEN OLIVE AND LOCUST

AUTHORIZED SIGNATURE

AUTHORIZED SIGNATURE

For Deposit Only
THOMAS O. KACHELMACHER

48500

4 ST. LOUIS-CLEARING HOUSE-4
PAY TO ANY BANK, BANKER
OR TRUST CO. FOR COLLECTION
AND REMITTANCE
4-4
FEDERAL RESERVE BANK
ST. LOUIS, MO.
4-4

4-4
FEDERAL RESERVE BANK
ST. LOUIS, MO.
4-4
17-4

EXHIBIT No. 14—Continued

No. 2044
 1934
 CENTRAL STATES DRIVERS COUNCIL
 12 W. MADISON ST. 2ND FL.
 CHICAGO 2, ILLINOIS
 PAY TO THE ORDER OF
 CENTRAL STATES
 DRIVERS COUNCIL
 \$ 5000.00
 DOLLARS
 La Salle NATIONAL BANK
 CHICAGO, ILLINOIS
 J. M. McPherson
 Cashier

Sally Robinson
 PAY FIRST NATIONAL BANK
 1934 N. W. 1ST. & 1ST. ST.
 ROBBINS, DAVIS & LYONS
 1934

No. 3549

March 8, 1956

**PAY TO THE
ORDER OF**

SOULY BOBOTS.

CENTRAL STATES
DRIVERS COUNCIL

五十年來

DOLLARS

TRINIDAD STATE COLLEGE



LaSalle NATIONAL BANK
CHICAGO, ILLINOIS

Q. F. Needles
Executive Secretary

Executive Secretary

James C. Fessenden

SECRETARY OF WAR

PAY TO THE ORDER OF
ANY BANK OR BANKER OR ANY
FEDERAL RESERVE BANK

CONFIDENTIAL
23

PAYFIRST NATIONAL BANK
1894
ROBINS, DENNIS & LYONS

Sally Follins

EXHIBIT No. 15

J. L. Reading
Saving Account with The Detroit Bank
Receipt # 2719

		Deposits		Withdrawals	
		Date	Amount	Date	Amount
1954					
April 29		500 -			
Aug 31		672 -	Guild		
Sept 29		348 -	Guild		
Oct 25		348 -	Guild		
Nov 26		348 -	Guild		
" 30	Interest	487 2204.17			Balance 2204.87
1955					
Jan 7		510.00	Guild		
Feb 14		366 -	Guild		
Mar 7		306.00	Guild	Mar 9	1814.87 ✓
Apr 11		420 -	Guild	Apr 6	900 -
May 2		336.00	Guild		
May 17		177.94			
" 31	Interest	850			
June 8		336.00	Guild		
" 29		336.00	Guild		
Aug 5		336.00	Guild		
Sept 16		504.00	Guild	Aug 10	1850 - ✓
Oct 12		336.00	Guild		
Nov 21		336.00	Guild		
Nov 30	Interest	644			
Dec 8		420.00	Guild	Dec 14	400 - 21 1974.87
		4734.87			
1956					
Jan 18		420 -	Guild	Jan 25	1850 - ✓
Feb 8		336.00	Guild		
Mar 7		336.00	"		
Apr 13		336.00	"		
" 30		336.00	"		
May 31		535			
June 11		420.00	"		
July 3		350.85		July 7	400 -
" 20		420.00	"		
Aug 20		336.00	"		
Sept 12		336.00	"	Sept 14	1850 - ✓
Oct 12		420 -	"	Oct 1	400 -
Nov 17		336.00	"		
" 30		700 4395.20			4500 18700.87
Next					

EXHIBIT No. 15—Continued

G. L. Reading
Savings account with The Detroit Bank
Balance \$271.79

1917		Deposits		Withdrawal	
		Date		Amount	
Jan 3	Feb 15, 1918	336 -	Child	Feb 20	1850 - ✓
31		400 -	Child	Mar 6	400 -
Mar 5		671 -	"		
Apr 24		3398 7	"		
May 19		21925			
31		238			
Aug 13		67750	Child		bal 271.79

EXHIBIT No. 16

Hotel - 17.35	Hotel - 17.35
D.P. - 15.00	D.P. - 15.00
Hotel - 16.19	Hotel - 16.19
Hotel - 6.18	Hotel - 6.18
Hotel - 3.40	Hotel - 3.40
Hotel - 59.09	Hotel - 59.09
<u>156.64</u>	

William Freeman

Washington Expenses

Per. Bert Bremer.

156.64	expenses
43.36	wages
<u>200.00</u>	

**FOOD & BEVERAGE DRIVERS
WAREHOUSEMEN & HELPERS**
LOCAL UNION NO 337, DETROIT 16, MICH.



No. 6878

DETROIT, MICH. 2-25 1957 9-31 720

PAY TO THE
ORDER OF

\$ 200.00

DOLLARS

FOOD & BEVERAGE DRIVERS

BANK of the COMMONWEALTH

DETROIT MICH.

C 3-050

Robert F. Henderson

Handwritten notes and signatures on the back of the check.

EXHIBIT No. 18

HANNAN, GANOS and SCHWARTZ

Attorneys at Law

1256 Penobscot Building

Detroit 26, Michigan

W'Oodward 5-0061



JAMES P. HANNAN
GEORGE E. GANOS
SAMUEL SCHWARTZ

BOAZ SIEGEL
Counsel

January 25, 1955

Mr. Bert Brennan
Teamsters Local 337
2741 Trumbull
Detroit 16, Michigan

STATEMENT

FOR LEGAL SERVICES RENDERED
IN DRAFTING OF BY-LAWS. \$100.00

Handwritten signature/initials

PHONE 3-4674

**Sunagua****MOTEL AND STUDIO APARTMENTS**1948 SOUTH OCEAN DRIVE
HALLANDALE BEACH, FLORIDAOWNER-MANAGERS
SAM AND RUBY RIZZOFIVE MINUTES DRIVE TO MIAMI - ROUTE A1A
FIVE MINUTES TO DANIA JAI-ALAI FRONTON - MI-61
TWO MINUTES TO GULF STREAM RACE TRACK

Room Rent. \$ 258.96

Phone 42.40

T.V. 13.00

~~E~~ PAID MAR 20 1956

EXHIBIT No. 20



**FOOD & BEVERAGE DRIVERS
WAREHOUSEMEN & HELPERS**
LOCAL UNION NO 337, DETROIT 16, MICH.

No. 7739

DETROIT, MICH. 7-27-42 9:31
19-5-720

PAY TO THE
ORDER OF

2741 TRUMBULL AVE
NO. 2-7879

FOOD & BEVERAGE DRIVERS
DOLLARS

BANK of the COMMONWEALTH
DETROIT, MICH.

C 3-050

Robert A. [Signature]
AUTHORIZED SIGNATURES

FOOD & BEVERAGE DRIVERS
WAREHOUSEMEN & HELPERS



A PAY TO THE
ORDER OF

AT NEW YORK CITY DEPOSIT IN MICH

DETROIT, MICH

1 20 1953

21000 LX

FOOD & BEVERAGE DRIVERS

COMMISSIONED WITH BANK

DETROIT, MICH

3050

20 1953
AM
2

EXHIBIT No. 22



**FOOD & BEVERAGE DRIVERS
WAREHOUSEMEN & HELPERS**
LOCAL UNION NO 337 DETROIT 16 MICH

No. 6759

9-31-
720

DETROIT, MICH.

PAY TO THE
ORDER OF

2250.00

DOLLARS

FOOD & BEVERAGE DRIVERS

BANK of the COMMONWEALTH

DETROIT MICH.

C 3-050

AUTHORIZED SIGNATURES

TRUCK DRIVERS LOCAL UNION NO. 299
2741 TRUMBULL

AY.
TO
THE
ORDER
OF

Irvin L. Alderton

Det. Mr. Alderton

No. 8672

19 *22* 9-91
720

\$ 1000 *00*

The sum of *\$1000.00* DOLLARS

CITY BANK
DETROIT, MICHIGAN

Secretary & Treasurer

EXHIBIT No. 23A

TRUCK DRIVERS LOCAL UNION NO. 299
2741 TRUMBULL

NO. 8707

19 *9-91* *VV-729* 00

PAY TO THE ORDER OF *John J. [illegible]*

1000 \$ *XX*

1000 DOLLARS

1000 TRUCK DRIVERS LOCAL UNION NO. 299

1000 CITY BANK

1000 DETROIT, MICHIGAN

1000 PRESIDENT *de la Cruz*

1000 SECRETARY & TREASURER

1000 1

EXHIBIT No. 26

**COMMERCIAL CARRIERS, INC.**

3399 E. McNICHOLS ROAD

DETROIT 12, MICHIGAN

September 8, 1949

Mr. Carney D. Matheson
Matheson, Dixon, & Brady
2150 Guardian Building
Detroit, Michigan

RECEIVED
SEP 11 1949
MATHESON, DIXON, and BRADY

Dear Carney:

Tunk Brayton has insisted on a meeting with me next Tuesday to discuss the Flint situation. We have had considerable rumors as to what is coming and I think it is absolutely wrong for me to attend, but have you go up representing the Company.

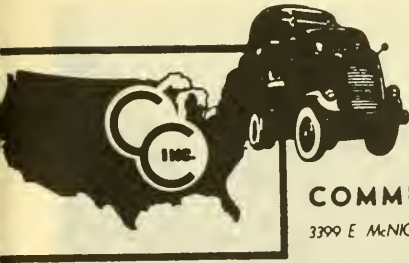
Before you get into the meeting Spencer will be able to brief you on all of the things that they probably will bring up. The Arrasmith and Turner re-hiring is going to be demanded but we have valid reasons for not re-hiring these two fellows and we positively refuse to do so unless we should lose a decision with the Conference Grievance Committee.

We have been informed by George Dixon's New York attorney friend that he is starting suit for the drivers that we failed to hire back for different reasons, basing his suit on prejudice. Jim Hoffa has told me to forget about it and not be at all concerned, but it might be well for you to consider the idea of having Tunk or his Committee bring this as a Grievance before the Conference. We have a strong enough case to win our point before a fair Committee and their decision certainly should have some bearing on any proposed law-suit.

There will be some question as to back pay for some dockmen up until last December, but Tunk is now trying to make it back to 1947, which we are not going to go for.

You should instruct Spencer regarding payment of vacation pay. Actually, it appears we do not have a contract and it is Messrs. Hoffa and Brennan's instructions to treat all employees as new employees hired in after the strike, which would mean payment on a 2% basis, but Tunk has informed some of these drivers that they already have their seniority back and some of them are expecting 4%.

EXHIBIT No. 26—Continued

**COMMERCIAL CARRIERS, INC.**

3309 E. McNichols Road

DETROIT 12 MICHIGAN

Mr. Carney D. Matheson

Page #2

9-8-49

I think you should bring this out in the open and if you think it is advisable we should be paying the 2% vacation pay.

We have been told that not only a considerable group of drivers have been solicited for from \$10.00 to \$25.00 a piece for the proposed prejudice law-suit, but that Tunk has gotten some money out of the Union, without approval, as a partial retainer for this attorney.

We also have it from well informed sources that the four yards in Flint are in agreement on a driver in the Boutell yard who can qualify and he will be put up to run against Tunk this fall two weeks before the election.


Spencer is not informing Tunk that I will not be there Tuesday as it was his understanding that they wanted to get a hold of me without you for one of the famous - old - harassing deals. This is a meeting that you should attend and say "No" to everything that they bring up that is not right, and see to it that any grievances are thrown into the National Committee for that is the only way they will ever be settled.

We do not have a contract in Flint now and the old group of brokers there insist we will not get one now or for next year, as they are out to show up Messrs. Hoffa, Matheson, and Beveridge.

BBB/can

Yours very truly,

COMMERCIAL CARRIERS, INC.



Bert S. Beveridge
Vice-President
General Manager

EXHIBIT No. 27



EXHIBIT No. 28



**SUN VALLEY, INC.**

Detroit Office

16639 James Cousens Hwy. • DETROIT 26, MICHIGAN

Diamond 1-8506



Dear Sir:

It has come to our attention that some of our purchasers have been wondering about the extent of assessments which will be made against them under our contracts. We want to reassure you at this time that such assessments will be of a limited nature and advise you as follows:

1. Hard surface roads will be provided with no assessments to our purchasers for the cost thereof.
2. Purchasers will be assessed only for sidewalks and curbs, water and sewer installations and service, and for utilities such as electricity, gas or telephone if used.
3. You will not be assessed one penny until the above improvements have been made.
4. There will be no assessments for such things as a recreation center, parks, burial grounds or golf courses.

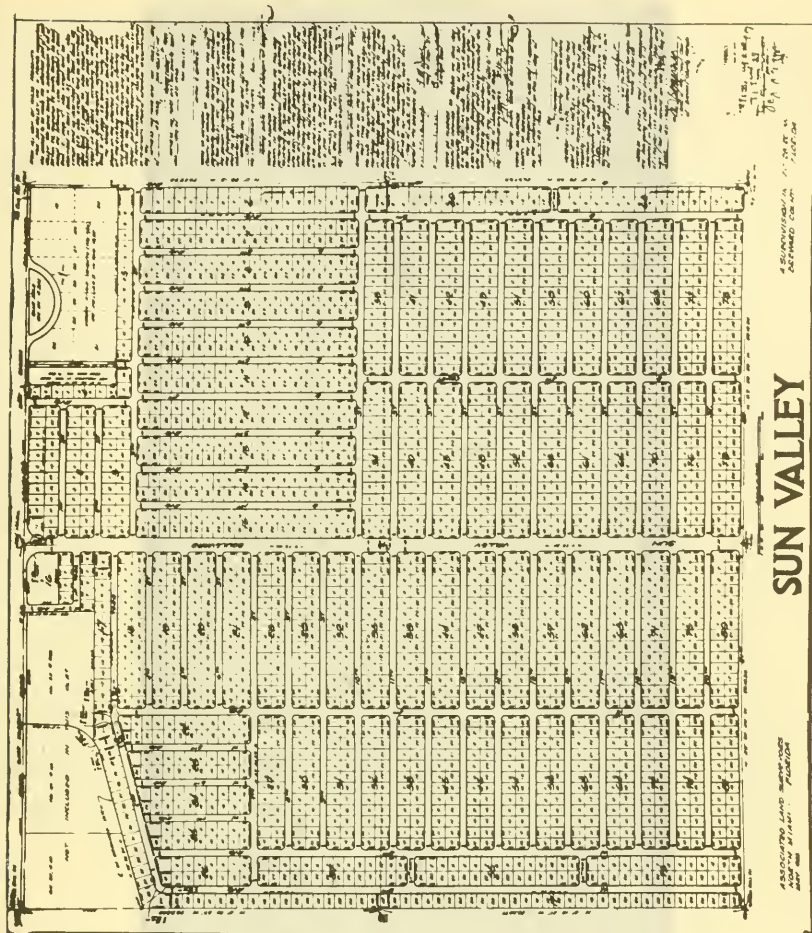
We are extremely sorry that you have been led to believe that you would be assessed for any of the above improvements, except as specified herein. We hasten to correct that impression now and to dispel your fears because that will not happen.

Please attach this note to your contract.

Sincerely yours,

HENRY LOWER
President

EXHIBIT No. 29A



TRUCK DRIVERS LOCAL UNION NO. 299 2741 TRUMBULL		No. 1592 9-91 720 00	DOLLARS TRUCK DRIVERS LOCAL UNION NO. 299
Detroit, Mich.		May 16 1916	\$ 2500.00
City Bank CITY BANK		President	Secretary & Treasurer

EXHIBIT No. 38

RECEIVED

Copy of record received from the
No. 1300, dated at Chicago, Ill., October 1, 1900,
and received from the Chicago
Police Department, dated October 1, 1900.

Received from the

"The Chicago Police Department" on 2-11

Grubbell, et al.

On the 1st of October, 1900, the Chicago Police Department
has no other records of the

EXHIBIT No. 41

File →

MARK AND WENGER

CERTIFIED PUBLIC ACCOUNTANTS

225 WEST 34TH STREET

NEW YORK 1, N. Y.

— 115 —

WISCONSIN 7-3412

HAROLD L. MARK, C. P. A.
DAVID H. WENGER, C. P. A.

May 14, 1956

Auerbach, Pollak & Richardson
30 Broad Street
New York, New York

Gentlemen:

Enclosed find check in the amount of \$12,500.00. Please credit the account of Harold Mark and David Wenger. You are authorized to transfer from the account of Harold Mark and David Wenger to the account of James^R Hoffa, the amount of \$12,500.00.

Yours very truly,

Encl.

David H. Wenger
David H. Wenger

[Faint, mostly illegible handwritten text on lined paper]

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